



Daily Report

East Asia

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CONTENTS

26 October 1987

NORTHEAST ASIA

Japan

Radicals Claim Responsibility for Explosion	1
Tokyo Stocks Suffer Biggest Single Day Drop	1
'No Cause For Concern'	1
Banks Retain Current Rates	2
Bonds Open Higher 26 Oct	2
Press Examines New Cabinet Possibilities	2
Miyazawa on Finance Post	3
Takeshita Plans U.S. Visit in January	3
'Early' Visit to Beijing	4
USSR To Release Five Japanese Fishermen	4
DPRK Negotiations on Alleged Spy Fishermen	4
Ministry Eases Ban on Toshiba Exports To PRC	5
Sanyo To Export TVs Made in PRC to Europe	5

North Korea

Commentary on Olympic Committee's Position [NODONG SINMUN 26 Oct]	5
Party Paper on Olympics	7
Daily Denounces U.S. Forces Increase	7

South Korea

2 Kims Request Each Other Concede Candidacy	7
Election Proposal Rejected [KYODO]	8
Kim Tae-chung To Form New Political Party	8
Further on New Party	9
YONHAP Reports Referendum Arrangements	9
'Text' of Constitution [THE KOREA HERALD 24 Oct]	10
Balloting Witnesses Selected [THE KOREA HERALD 25 Oct]	24
200,000 Greet Kim Yong-sam in Taejon [THE KOREA TIMES 25 Oct]	24
Firebombs Thrown at No Tae-u in Taegu [THE KOREA TIMES 25 Oct]	25
Campus Activists Resuming Street Violence [THE KOREA TIMES 24 Oct]	25
Kim Tae-chung Criticizes No Tae-u, DJP [THE KOREA HERALD 25 Oct]	26
2 Kims Call for Cabinet Change for Elections	26
Kim Tae-chung Forswears Chongju Retaliation [THE KOREA TIMES 25 Oct]	27
Kim Chong-pil Formally Names His Party	27
Officials Attempting To Head Off Inflation [THE KOREA HERALD 25 Oct]	27

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Reports on Stock Market Fluctuations [AFP]	29
1988 Federal Budget Tabled in Parliament	29
Oil Production	29
'Main' Proposals Reported	30
Government-Owned Companies	30
Foreign Debt Servicing	30

Ruler Withdraws Award for Labor Minister	31
Reagan Move on Rubber Agreement Welcomed	31
Two Thai Trawlers Detained for Fishing	32
BRIEFS	32
Iranian Ambassador Presents Credentials	32

Singapore

Stock Market Share Prices Fall Sharply [AFP]	32
PRC's Gu Mu Ends 8-Day Visit 23 Oct [THE STRAITS TIMES 24 Oct]	32
Agreements To Promote Investments in PRC [THE STRAITS TIMES]	32

Cambodia

PRK, Soviet Officials Address Meeting	33
Soviet Friendship Delegation Arrives	34
Hun Sen Receives Lao Transport Delegation	34
Thai Military Action in Week Ending 17 Oct	34
Mongolian Paper Lauds Settlement Statement	35
Bou Thang Addresses Meeting on Defense	35
Hun Sen Meets With Phnom Penh Residents	35
VOK Says Famine Caused by Vietnam Policy	35
Khieu Samphan Greets Philippine Minister [VODK]	36
SRV Boats Attacked in Battambang [VONADK]	36
BRIEFS	37
Delegation to GDR	37
Delegation to Laos	37
SRV Education Delegation	37
Delegation's SRV Visit	37
Buddhist Delegation to SRV	37

Indonesia

Mokhtar on U.S. Bases in Philippines	37
Mokhtar Discusses ASEAN Planning, Travels	37
Editorial on UN Resolution on Cambodia [KOMPAS 17 Oct]	38

Laos

Commentary Supports Soviet Stand on Gulf [PASASON]	39
Ministry Reports on Swedish Group's Visit	39
Envoys Pay Respects to Dead CC Member	40
Phoumi Vongvichit on October Revolution	40
Kaysone Phomviharn Addresses Party Meeting	40
Editorial Calls For Vigilance Against Enemy [PASASON 20 Oct]	41

Philippines

Aquino Will Not Tolerate Rebel Fighting	42
Honasan Said 'Major' Threat to Government	42
Cabauatan Vows More Anti-Government Action	42
U.S. Said To 'Coddle' Cabauatan [PHILIPPINE DAILY INQUIRER 26 Oct]	42
Ramos Rules Out Amnesty for Rebel Soldiers	43
Laurel Urges Reconciliation [MANILA BULLETIN 23 Oct]	43
Army Chief Comments on 'Realities' of Coup [MANILA BULLETIN 26 Oct]	44
Laurel Leaves for U.S., Assures Aquino [MANILA BULLETIN 24 Oct]	45
Navy on Alert Against Soviet Submarines	46
Communist Chief Reveals 'Indonesian Solution'	46

Ramos Says Tide Has Turned Against NPA	46
NPA Using Forced Recruitment	46
Aquino Discusses Vigilantes, NDF Peace Talks	46
KBL to Organize Vigilantes [PHILIPPINE DAILY INQUIRER 26 Oct]	47
Aquino Reiterates Government Reorganization [MANILA BULLETIN 26 Oct]	47
List of Communist Officials To Remain Secret [MALAYA 24 Oct]	48
'Tough-Talking' Aquino Inspires Businessmen [KYODO]	49
Economic Upswing Predicted [MANILA BULLETIN 24 Oct]	49

Thailand

Pakistan's Ziaul Haq Concludes Visit	50
Agrees on Mutual Support [BANGKOK POST 24 Oct]	50
Speaks at 21 Oct Reception	51
Addresses Foreign Correspondents [THE NATION 25 Oct]	52
Leaves 24 Oct Following Visit	52
Official Views Soviet Indochina Policy [THE NATION 24 Oct]	53
USSR's Indochina Interest Viewed [THE NATION 26 Oct]	53
Daily Urges U.S. Action on Budget Deficit [BANGKOK POST 26 Oct]	54
Security Official Reviews Cambodia Situation	54
Army Reports Border Activity	55
More on Border Activity	55
Cambodians Come for UN Food [THE NATION 26 Oct]	56
Official on Communist Defections, Assistance [MATICHON 24 Oct]	56
Defense Minister Defends Army Radio Programs	57

Vietnam

Heng Samrin Sees 'Favorable Prospects'	57
Agrees To Meet Sihanouk in December	57
CSSR, MPR Support Declaration	58
Protocol on Education Signed With Cambodia	58
Scientists Attend Meeting on Dioxin in U.S.	58
USSR Provides Aid in Standardization Work	59
Defense Minister Greets Romanian Army Day	59
Top Officials Attend Hanoi 'Peace Wave' Talk	59
Implementation of Congress Resolution Urged [TAP CHI CONG SAN Sep]	59
NHAN DAN Editorial on Evaluation of Cadres [23 Oct]	61
NHAN DAN Views Export Goods Quality Control [23 Oct]	62
Nguyen Van Linh Interview on Literature, Arts [SAIGON GIAI PHONG 26 Sep]	63
Nguyen Van Linh Meets Hanoi Actors, Actresses	64

AUSTRALASIA

Australia

Unions 'Firm' on Imposing Fiji Flights Ban	66
Hayden Concerned Over Violence in Sri Lanka	66
BRIEFS	66
Cocaine Seizure in Adelaide	66

Fiji

Minister Criticizes New Zealand Fiji Stand	66
Action Planned To Counter Trade Bans [Wellington EVENING POST 22 Oct]	66

French Polynesia

State of Emergency Declared 24 Oct [AFP]	67
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New Zealand

'Large' French Nuclear Test Detected [AFP]	67
Decision on Recognizing Fiji 'Months Away' [THE EVENING POST 22 Oct]	67

Vanuatu

France Asked To Withdraw 2 More Diplomats [AFP]	68
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Japan

Radicals Claim Responsibility for Explosion *OW251443 Tokyo KYODO in English 1100 GMT* 25 Oct 87

[Text] Tokyo, Oct. 25 KYODO—The radical leftist group Kakurokyo Sunday claimed responsibility for a time-bomb explosion in a bus in Naha Saturday morning, about two hours before Crown Prince Akihito and Princess Michiko arrived at the Okinawan prefectural capital.

The Kakurokyo group released a statement in Tokyo claiming its responsibility for the incident.

The group opposing imperial family members visits to Okinawa had also claimed responsibility for setting fire at police stations in Okinawa and Tokyo in September.

Tokyo Stocks Suffer Biggest Single Day Drop *OW231145 Tokyo KYODO in English 0800 GMT* 23 Oct 87

[Text] Tokyo, Oct. 23 KYODO — Prices on the Tokyo Stock Exchange suffered the second biggest single-day decline in history in heavy trading Friday, depressed by an overnight sharp Wall Street downturn and Iranian missile attack on a Kuwaiti oil loading terminal.

The Nikkei stock average of 225 selected issues, which had recovered some two-thirds of a 3,830 yen loss in the two days since Tuesday's disastrous collapse, nosedived again by 1,203.23 yen to 23,201.22 yen.

The composite TSE index of all issues listed in the first section also plummeted 94.52 points to 1,394.94.

Turnover in the first section totaled an estimated 1.0 billion shares, off from Thursday's 1.4 billion shares.

The volume was more than double 435.24 million shares which changed hands in Tuesday's record plunge amid an imbalance created by huge sell orders out numbering buy orders.

Foreign investors led the rush down and Japanese investors followed the massive selloffs amid persistent anxiety over credit markets which are still reeling from the fallout from Tuesday's collapse, brokers said.

Spearheading the day's plunge were giant-capital issues.

In afternoon trading, a wire service report that Iran may accept a UN resolution calling for a ceasefire in the Gulf War, helped prices fight back the selling pressure at one point, but quick profit taking came and erased the small gains, brokers said.

Foreign investors injected sell orders at limits almost every time prices showed signs of rallying, they said.

Meanwhile, prices on the Osaka Securities Exchange (OSE) plunged with its Nikkei average suffering the second biggest single-day drop of 1,077.42 yen in the history of the exchange to finish at 23,732.76 yen.

In Tokyo, export-oriented electronics such as Hitachi and Sony declined on a wide front. Autos and precision instruments fell with OD Motor and Ricoh in the vanguard.

Financials like Sumitomo Bank, Daiwa Securities and Nomura Securities dropped across the board. Real estates and constructions like Mitsubishi Estate and Kajima met selloffs.

Textiles and pharmaceuticals like Japan Wool Textile and Yamanouchi Pharmaceutical dipped.

Also in the minus column were steels, chemicals, non-ferrous metals, transportations, as well as personal spending-oriented issues.

Stocks in the second section fell back steeply with its TSE index skidding 71.67 Points to 2,515.83.

An estimated 16 million shares changed hands, down from 17.13 Million Thursday.

Mabuchi motor did poorly, while Nippon Steamship fared well.

'No Cause For Concern'

OW231153 Tokyo KYODO in English 0311 GMT
23 Oct 87

[Text] Tokyo, Oct. 23 KYODO—Finance Minister Kiichi Miyazawa said there was no cause for concern about the sharp fall in Tokyo stock prices Friday morning as it is clear the Japanese economy is getting better.

Miyazawa told a press conference after a cabinet meeting that Friday's setback on the Tokyo Stock Exchange prices following rallies Wednesday and Thursday was an aftershock from the historic crash Tuesday.

"Stock prices go through ups and downs in a short range but there are no worries in the long run," Miyazawa said. Prime Minister Yasuhiro Nakasone also made similar remarks.

Miyazawa also said he highly evaluates U.S. President Ronald Reagan's statement Thursday night that he will start conferring with congressional leaders on fiscal deficit reduction measures.

Banks Retain Current Rates

OW240325 Tokyo KYODO in English 0315 GMT
24 Oct 87

[Text] Tokyo, Oct. 24 KYODO—Retracting their earlier plans for raising the long-term prime lending rate by 0.5 percentage points from November 1, Japanese long-term credit and trust banks Saturday decided to retain the rate at the current level of 5.2 percent in line with the Finance Ministry's recommendation, monetary sources said.

The sources said the ministry considers it undesirable for only Japan to raise interest rates while the United States and other industrial democracies are moving to ease credit policies following the historic collapse in global stock markets earlier this week.

Bonds Open Higher 26 Oct

OW260126 Tokyo KYODO in English 0058 GMT
26 Oct 87

[Text] Tokyo, Oct. 26 KYODO — Japanese Government bond prices opened higher in Tokyo Monday on buying following the weekend's firm trends.

In future trading, the December contract opened higher at 102.20 yen, up 0.40 yen, with a yield of 5.655 percent, down 0.062 points from last Friday.

The bellwether No.89 issue in the spot market opened at 98.75 yen, up 0.41 yen, yielding 5.31 percent, down 0.07 points.

Nervous trading was predicted for the rest of the day in view of movements in stocks and foreign exchange markets, brokers said.

Press Examines New Cabinet Possibilities

OW231215 Tokyo KYODO in English 0912 GMT
23 Oct 87

[By Hiroaki Furuno]

[Text] Tokyo, Oct. 23 KYODO—Ruling Liberal Democratic Party (LDP) President-Elect Noboru Takeshita will soon begin working on the cabinet and LDP leadership lineups as party Diet members nestle close to Takeshita to get the lions share of the posts.

A top priority for Takeshita to undertake for his cabinet and the party hierarchy November 6 will be to maintain party unity based on the strength of LDP power blocs, political sources said.

The defeated party Executive Council Chairman Shintaro Abe was assured of taking the party's No. 2 Post of secretary general, and Finance Minister Kiichi Miyazawa to assume the post of deputy prime minister as a result of Prime Minister Yasuhiro Nakasone's arbitration in the just-ended, three-way LDP presidential race among the candidates.

Miyazawa is reportedly anxious to retain the finance minister post.

Regarding the post of foreign minister, Takao Fujinami is considered the likeliest nominee because he belongs to the faction headed by Nakasone who wants to influence Takeshita on diplomatic fronts through Fujinami.

Out of respect for the mutual friendship between U.S. President Ronald Reagan and Nakasone, Nakasone's protege Fujinami will be best suited for the foreign office, a close aide to Takeshita said.

Takeshita, known as a "super" expert on personnel management affairs within the party, and his cabinet are expected to carry out the legacy of the Nakasone administration at least for the time being.

In this regard, it is possible the key post of chief cabinet secretary will be retained by Masaharu Gotoda, who virtually controlled the Nakasone administration for the past five years.

Gotoda remained neutral during an intrafaction leadership struggle between Takeshita and former party Vice President Susumu Nikaido who dropped out midway from the presidential contest.

Other names being raised for the key post include Tsutomu Hata, former Agriculture, Forestry and Fisheries minister, and Ichiro Ozawa, former head of the Home Affairs Ministry, both regarded as Takeshita's close followers.

For the top post of minister of International Trade and Industry, the incumbent Hajime Tamura is expected to retain the post in consideration of the formidable task to deal with pending trade issues.

Tamura contributed to help Takeshita split the defunct Tanaka faction led by ailing former Prime Minister Kakuei Tanaka to form Takeshita's own faction called the "Keiseikai" on July 4. If he is not named MITI head, he is assured of an other key post, LDP sources said.

Concerning the three powerful LDP posts other than that of secretary general, former MITI head Michio Watanabe, a leader of the Aone faction, is likely to chair the Policy Affairs Research Council and Masayoshi Ito, who now heads the Policy Board, to capture the post of chairman of the Executive Council.

The three posts are usually offered to the top three factions other than the power bloc led by the LDP president.

If Watanabe fails to capture the post, which could govern the nation's budget allocations, his rival within the faction Sosuke Uno may assume the post. It all depends on Nakasone's choice, the sources said.

Yuko Kurihara, currently Defense Agency chief and a leader of Miyazawa faction together with Ito, is an alternative to Ito.

Given that cabinet posts are distributed in accordance with the factional strength, the largest power bloc led by Takeshita is expected to gain five posts, reducing one seat from the current administration while the Nakasone faction is thought to increase from four to five.

This change will result from Takeshita's selection of Nakasone faction members for top posts in return for Nakasone's mediation in favor of Takeshita as the next party president.

The second largest Miyazawa and the fourth largest Abe faction will keep three posts, the smallest faction headed by former State Minister Toshio Komoto will retain two posts, the sources said.

Ministerial nominees other than Hata, Ozawa and Tamura within the Takeshita faction include former Posts and Telecommunications Ministers Keiwa Okuda and Ken Harada, former Environment Agency chief Matsuoka Kajiki, and Diet members Seiroku Kajiyama and Taro Nakamura.

Other favorites within the Miyazawa faction are former Agriculture Minister Kichiro Tazawa, and Diet members Tsutomu Kawara, Shigeru Kasuya and Takeo Nishioka.

Those candidates from the Nakasone faction jockeying for their initial posts include Eiichi Nakao, Ihei Ochi and Masaaki Makayama.

Yoshio Sakurachi, supreme leader of the Nakasone faction, is expected to become the Speaker of the House of Representatives in January.

The Abe faction will field such candidates as former Education Minister Yoshiro Mori, former Transport Minister Hiroshi Mitsuzuka and former Environment Agency chief Shintaro Ishihara.

Former Okinawa Development Agency chief Takao Fujimoto and former Education Minister Toshiki Kaifu rank high among the favorites in the Komoto faction, which helped Takeshita win the presidential election by joining the Takeshita-Abe alliance against Miyazawa.

Faction leader Komoto is expected to be named vice president of the LDP because of his contribution to the tri-factional alliance.

Without factional affiliation include former Justice Minister Seisuke Okuno and Koichi Hamada, the sources said.

Miyazawa on Finance Post

*OW220443 Tokyo KYODO in English 0346 GMT
22 Oct 87*

[Text] Tokyo, Oct. 22 KYODO—Finance Minister Kiichi Miyazawa will accept the post of deputy prime minister on condition that he is retained as finance minister, Miyazawa's aides said Thursday.

They said Miyazawa has made this clear to Liberal Democratic Party President-elect Noboru Takeshita.

Miyazawa, 68, and LDP Executive Council Chairman Shintaro Abe, 63, lost to Takeshita in the LDP presidential election earlier this week.

Prime Minister Yasuhiro Nakasone, in nominating Takeshita as his successor early Tuesday, asked him to allocate key cabinet and party posts to the two losing candidates in order to maintain party solidarity.

Abe is almost certain to replace Takeshita as LDP secretary general, party sources say.

Takeshita Plans U.S. Visit in January

*OW241851 Tokyo KYODO in English 0859 GMT
24 Oct 87*

[Text] Tokyo, Oct. 24 KYODO—Next Prime Minister Noboru Takeshita plans to visit Washington in January for talks with U.S. President Ronald Reagan to cement U.S.-Japanese relations, sources close to him said Saturday.

In his meeting with Reagan, Takeshita will pledge to maintain Japan's basic policy of cooperative relations with the United States and Asian-Pacific allies, the sources said.

Takeshita, 63, will be formally elected president of the ruling Liberal Democratic Party at the party convention October 31.

He will then be elected prime minister in a special session of the Diet expected to be convened November 6.

The sources said Takeshita, in his first overseas trip as prime minister, will attend the summit of the Association of Southeast Asian Nations (ASEAN) to be held in Manila in mid-December.

Takeshita was invited by President Reagan soon after he was named successor to Prime Minister Yasuhiro Nakasone last week, the sources said.

They said Takeshita wants to visit Washington after paving the way for the implementation of Japanese pledges made to the United States by Nakasone.

Takeshita made it clear he would exert an all-out effort to solve pending issues, including Japan's trade frictions with the United States and other Western allies.

He will explain to Reagan his own approaches to tackle problems pending between Tokyo and Washington, the sources said.

Before his trip to Washington, they said, Takeshita will concentrate on domestic issues, including compilation of the 1988 fiscal budget to be submitted to an extraordinary Diet session toward the year-end.

'Early' Visit to Beijing

OW221041 Tokyo KYODO in English 0824 GMT
22 Oct 87

[Text] Tokyo, Oct. 22 KYODO—Newly-appointed Japanese Ambassador to China Toshihiro Nakajima said Thursday he hoped for an early visit to Beijing by Noboru Takeshita, who was picked Tuesday as Prime Minister Yasuhiro Nakasone's successor as the head of the ruling Liberal Democratic Party.

Takeshita will assume the premiership because of the LDP's majority in parliament at a special Diet session, probably on November 6.

"Close Japan-China relations are one of the key elements in Japanese foreign policy. I will recommend to Takeshita an early visit to Beijing," the envoy said.

He added he will be pleased if Chinese Premier Zhao Ziyang visits Tokyo, possibly next year, to commemorate the 10th anniversary of the conclusion of the bilateral peace and friendship treaty. Prime Minister Nakasone extended an invitation to visit Tokyo to Zhao last November when he went to Beijing.

In an interview with the press prior to his departure to Beijing early next month, Nakajima stressed the importance of strong Japan-China relations for peace and stability in Asia and worldwide.

He said he wanted to open a new chapter by working jointly with Beijing to create a peaceful environment and to deepen Japan's and China's "matured" bilateral friendship. He termed his new work the "globalization of Japan-China relations."

The envoy refrained from commenting on a controversial Japanese court ruling which approved Taiwanese, not Chinese, ownership of the Kokuryo student dormitory in Kyoto, saying the issue is still subjudice.

He said he understood that the issue over Taiwan is a very basic national problem for China. He said he would explain to Beijing officials the differences between the political and institutional systems of the two countries.

USSR To Release Five Japanese Fishermen

OW261255 Tokyo
KYODO in English 1027 GMT 26 Oct 87

[Text] Tokyo, Oct. 26 KYODO—The Soviet Union will release five Japanese fishermen detained for alleged intrusion into Soviet waters and illegal fishing around the four Soviet-held northern islands, the Foreign Ministry said Monday.

The five men are Noboru Shimizubata, captain of the 19-ton *Tomoe Maru* captured in July last year; Masahiro Shimizubata and Shigeaki Toyama, both deckhands on the same ship; Yuji Sakashita, captain of the 4.9-ton *No. 63 Kisshin Maru* caught last August; and Michiyoshi Fujiya, captain of the 4.5-ton *No. 28 Ginyo Maru* detained last September.

The three fishermen from the *Tomoe Maru* will be released on Friday in Khabarovsk and the other two on Wednesday in the Anama Gulf of Shikotan Island.

According to the ministry, the Soviets will release them in commemoration of the coming 70th anniversary of the Russian Revolution and in response to a Japanese request.

With the release of these men, there will be no fishermen detained by the Soviets in connection with alleged intrusion into Soviet waters near the northern islands, the ministry said.

DPRK Negotiations on Alleged Spy Fishermen

OW251601 Tokyo KYODO in English 0732 GMT
25 Oct 87

[Text] Tokyo, Oct. 25 KYODO—Japan and North Korea will begin substantial negotiations for the release of two Japanese seamen, held in North Korea for alleged spying, after the cabinet of Noboru Takeshita, currently the ruling Liberal Democratic Party president-designate, is inaugurated in early November, officials said Sunday.

The two countries held the first round of preliminary talks in Beijing in mid-October based on a proposal made by North Korean President Kim Il-song in his meeting with Japan Socialist Party Chairwoman Takako Doi in late September.

The Foreign Ministry, however, refused to reveal the details of the talks from a humanitarian point of view.

Japan apparently held firm that it will not return North Korean soldier Min Hung-ku, who smuggled himself into Japan aboard the Japanese freighter *Fujisan Maru No. 18* in November 1983 and sought asylum in South Korea, in exchange for release of two crewmen of the freighter, Isamu Beniko, 56, and Yoshio Kuriura, 55, detained in North Korea. North Korea reportedly did not make a clear response.

North Korea presumably will present its conditions for the release of the Japanese fishermen only after ascertaining Japan's Korea policy under the Takeshita administration, according to the ministry.

Ministry Eases Ban on Toshiba Exports To PRC
OW221043 Tokyo KYODO in English 0943 GMT
22 Oct 87

[Text] Tokyo, Oct. 22 KYODO—The Japanese Government has decided to partially lift the one-year ban it imposed last May on Toshiba Machine Co. exports to communist countries, allowing the firm to execute part of previously contracted exports to China, a senior official at the Ministry of International Trade and Industry (MITI) said Thursday.

Noboru Hatakeyama, director general of MITI's Trade Administration Bureau, said the decision will be implemented "in the form of maintaining the effects of the punitive step," but refused to elaborate.

The decision was presented to the Chinese Government by Hatakeyama, who conferred with Zheng Tuobin, minister of foreign economic relations and trade, in Beijing on Tuesday and Wednesday.

Toshiba Machine had been banned from engaging in trade with the Soviet Union and other communist nations, including China, as a result of its illegal sales of sophisticated propeller-milling machines to the Soviet Union.

China, however, complained that the leading Japanese machine tool firm would not honor 2.4 billion yen in contracts, including shipments of computer-controlled chemical plant equipment, which had been signed before the disclosure of the Toshiba Machine case.

MITI earlier ordered Toshiba Machine to find other companies capable of supplying similar machines ordered by China and to compensate China for products it cannot deliver.

But China insisted on taking delivery of Toshiba Machine products not available from other firms, prompting MITI to permit their exports under certain conditions, MITI sources said.

Sanyo To Export TVs Made in PRC to Europe
OW220341 Tokyo KYODO in English 0318 GMT
22 Oct 87

[Text] Tokyo, Oct. 22 KYODO—Sanyo Electric Co., a major electronics maker, will export to Europe color television sets it will assemble at its Chinese joint venture firm in Shenzhen city, in the province of Guangdong, from December, a Sanyo spokesman said Thursday.

The move is aimed at countering increasingly tough competition from South Korean- and Taiwanese-made color TVs, which are priced lower than comparable Japanese-made color TVs due to the yen's sustained strength against the dollar, the spokesman said.

Sanyo produces 120,000 14- and 18-inch color TV sets a year at the Chinese joint venture, Huaqiang Sanyo Electronics Co., in southern China, Sanyo and Huaqiang Electronics Industry Co., a Chinese state-run firm, each has a 50 percent equity stake in the venture.

Exports to Europe from the Chinese venture will total 100,000 units in the initial year and 14-inch models will comprise most of the shipments, he said.

He said Sanyo decided to export from China partly in response to a Chinese government request to divert products from the Chinese market to overseas markets to earn foreign exchange reserves China needs for its industrial modernization programs.

Sanyo initially plans to export Chinese-made TV sets under the Sanyo brand, but is currently negotiating with European makers to supply the products under European brand names, he said. He declined to reveal the names of the European makers.

North Korea

Commentary on Olympic Committee's Position
SK261000 Pyongyang Domestic Service in Korean
0015 GMT 26 Oct 87

[NODONG SINMUN 26 October commentary: "The Expression of a Just Stand"]

[Text] In a statement issued on 23 October in the name of its chairman, the DPRK Olympic Committee expressed its stand on postponing negotiations concerning the cohosting of the 24th Olympiad and waiting for the outcome of the presidential election in South Korea based on the judgment that as long as the present military dictatorial regime exists in South Korea, the prospect of the 24th Olympiad looks gloomy and cohosting can never be materialized, and in the belief that only when a democratic government is formed in South Korea will the issue of holding the 1988 Olympic Games be smoothly resolved.

Expressed in the statement was the expectation that when a democratic government is formed, talks would be resumed between the International Olympic Committee [IOC] and delegates from the North and South Olympic Committees, and that the IOC would actively help to achieve a final resolution to the issue of the 24th Olympic games.

This is not only an expression of our just will that has proceeded from the present situation of North-South talks on the matter of cohosting the Olympics, but is also

the expression of another of our earnest and sincere efforts to make the 24th Olympic games contribute toward developing the Olympic movement and the cause of world peace, let alone toward our country's reunification.

It is only too righteous that in connection with cohosting the Olympics we have reached the conclusion that as long as the present military dictatorial regime exists in South Korea, the problem of cohosting the Olympics cannot be settled.

As referred to in the statement, the Lausanne meeting between the IOC and delegates from the Olympic Committees of the North and South failed to reach an agreement despite long discussion of the issue of the 24th Olympic Games. What was the reason for this? With the decision of Seoul of South Korea as the venue for the 24th Olympic Games, various complicated problems have arisen within the Olympic movement, and the Olympic movement faces the crisis of a split. The proposal for cohosting the Olympics we advanced in this connection is indeed righteous.

With support from a broad range of people and sportsmen of the world, we have made sincere efforts to realize the proposal, making repeated concessions and showing generosity. However, the South Korean side has opposed the proposal to cohost the Olympics from the beginning, although it attended the Lausanne meeting, giving in to the pressure of public opinion.

Its real intention was aimed at making Pyongyang appear as a local city of South Korea by allowing Pyongyang to hold only some supplementary events.

Such a wrong stand has become more evident with the fact that when we repeatedly insisted on holding direct North-South bilateral talks first for success at the 5th Lausanne meeting and, there, to find ways to resolve the problem of North-South cohosting, the South Korean side desperately opposed it.

What the South Korean side was interested in was to frustrate the cohosting of the Olympics and, thus, to utilize the Olympic games, which take peace and friendship as their ideal, for such dishonest political purposes as splitting the country and the nation permanently and using it as a shield for the U.S. imperialists' war maneuvers.

Proceeding from such an intent, with the sending of the invitations for the Seoul Olympics, the authorities of the South Korean Olympic Committee became crazier in clamoring about exclusively holding the Olympics while refusing our proposal for bilateral talks and went so far as to wage the commotion of insulting and rejecting the cohosting of the games.

The highest person in authority of South Korea appeared at the frontline area, named tanks that they say they produced "88-tank," and exhibited them as souvenirs of the 1988 Seoul Olympics.

The United States is clamoring about guarantees for the success of the Seoul Olympics. Using this as an excuse, the United States is now openly letting out remarks that it will deploy more military strength in South Korea and in the sea around it.

The persons in authority of South Korea have not only desperately opposed sitting with the same nation to discuss sporting games, but have also stopped at nothing to abuse the Olympics for their impure political purposes. Such being the situation, it has become apparent that as long as the present dictators continue to hold office, the cohosting of the Olympics cannot be realized.

By expressing our stand on the problem of cohosting the Olympics this time, we expressed that our willingness to resume negotiations for cohosting the Olympics if a democratic regime comes into power through the presidential elections in South Korea precisely reflects our sincere stand to outstandingly achieve success in the 24th Olympic games with united national strength at any cost.

We believe that if democratic forces come into power in South Korea and if democratization is realized in South Korean society, North-South cohosting of the Olympic games can be realized and a single team can be formed with the South Korean side to participate in the Olympic games.

The assertion emerged in South Korea recently that if a democratic regime is established in South Korea in the future, the problem of the Olympics can be resolved from the viewpoint of national reconciliation. This is very good. In this case, the 24th Olympic games will become an outstanding festival of peace and friendship in which all member nations participate and greatly contribute toward reunification of our country.

We expect that the IOC side, which has been preparing for the Lausanne meeting, will actively help in achieving a final resolution to the problem of cohosting the Olympics between the North and South, if a democratic regime is established through the elections in South Korea. We also believe that in such a case, the persons in authority on the South Korean Olympic Committee should come to the talks with a (?sincere) attitude, proceeding from the stand of national reconciliation and unity.

We expect that all persons of the world who are concerned with the Olympics and the people of different countries will deal with the stand currently expressed by the DPRK Olympic Committee with a full understanding and that they will extend invariable support and encouragement to our just stand in the future.

Party Paper on Olympics

SK250901 Pyongyang KCNA in English 0855 GMT
25 Oct 87

[Text] Pyongyang October 25 (KCNA)—*Minju Choson* today comes out with a signed commentary denouncing the U.S. imperialists and the South Korean puppets for craftily scheming to use the 1988 Olympic games for their insidious political purpose.

The signed commentary says:

The Lausanne talks which have long been held between the International Olympic Committee and the delegates of the Olympic committees of the North and the South of Korea over the issue of the 24th Olympic games, failed to come to an agreement on balance entirely because of the South Korean side's deliberate moves.

In this connection the chairman of the DPRK Olympic Committee made public a press statement on October 23.

Originally, the U.S. imperialists and the South Korean authorities sought an insidious political aim when they planned to hold the Olympic games in Seoul. In other words, they aimed at using the Olympic games for the creation of "two Koreas," perpetuation of the U.S. imperialist aggression forces' occupation of South Korea and the long-term office scheme of the puppet clique.

The prospect of the Olympic games is gloomy and the co-hosting of the Olympics is impossible as long as the present military dictatorial "regime" exists in South Korea.

We expect that if a democratic regime is established in South Korea, it would be possible to fully solve the question of the Olympic games. We, therefore, demand that the International Olympic Committee side postpone the scheduled bilateral talks with our side and the fifth Lausanne talks till election results were published in South Korea. This is a manifestation of our sincere stand toward saving the 24th Olympic games from the crisis of split and making the games a festival of peace and friendship participated in by all member nations.

The South Korean authorities should ponder over grave consequences that might arise from their single-handed hosting of the games.

Daily Denounces U.S. Forces Increase

SK260607 Pyongyang KCNA in English 0558 GMT
26 Oct 87

[Text] Pyongyang October 26 (KCNA)—*Nodong Sinmun* Monday lashes out at the scheme of the U.S. imperialists to increase the proportion of air and naval forces in South Korea.

The U.S. Foreign Policy Committee and Asian Association, in a report of their joint study, announced that the United States would readjust the composition of the U.S. forces in South Korea in such a manner as to put emphasis on air and naval forces.

Kenneth Dam, former U.S. Deputy Secretary of State, who was in charge of drafting the report, said this step was to increase the war capabilities in South Korea.

The author of the commentary views this as an indication of the preparations the U.S. imperialists are hastening for a forestalling nuclear attack on our Republic and other socialist countries from the air and the sea with South Korea as the springboard.

He further says:

Seeking to increase the proportion of its air and naval forces in South Korea, the United States intends to make the South Korean puppet army force bear of the brunt the ground war in case of its provocation of a war on the Korean peninsula. This is, in the final analysis, a sinister scheme to spare the U.S. forces the nuclear holocaust by driving out the puppet army forces as nuclear cannon fodder. The U.S. imperialists regard the South Korean puppet Army as a cheap mercenaries who should lay down their lives for them.

The U.S. imperialists' preparations for a nuclear war are rendering the situation on the Korean peninsula more strained and gravely jeopardizing peace. A massive arms cut and a nuclear-free, peace zone are an urgent demand for removing the danger of nuclear war on the Korean peninsula.

South Korea

2 Kims Request Each Other Concede Candidacy

SK260312 Seoul Domestic Service in Korean
0200 GMT 26 Oct 87

[Text] Concerning the issue of fielding a single RDP presidential candidate, party President Kim Yong-sam and party Adviser Kim Tae-chung formally requested that the other withdraw his candidacy. Thus, a full-scale confrontation between the two Kims has emerged.

Refusing to accept the plan for mutual competition for the presidency proposed by party President Kim Yong-sam during the meeting at the Diplomatic Club on 22 October, Adviser Kim Tae-chung today requested Kim Yong-sam withdraw his presidential candidacy.

Adviser Kim Tae-chung, dispatching party Vice President Yi Chung-chae to President Kim Yong-sam this morning, requested President Kim's concession, noting that the reason Kim Yong-sam should resign is so that there will be a single candidate for the RDP. Kim Yong-sam should continue as party president.

Meanwhile, Han Kwang-ok, spokesman of Adviser Kim Tae-chung, stated that the people's will was confirmed during the lecture meeting held yesterday at Korea University and that he hopes that President Kim Yong-sam will concede the presidential candidacy according to the people's will and decide for a single candidate.

Responding to this, President Kim Yong-sam said he cannot accept Adviser Kim Tae-chung's request as he thinks the participants in the rally yesterday at Korea University cannot be regarded as representing the entire public opinion and that the reaction from the people of the Honam [North and South Cholla Provinces] area cannot be regarded as the public opinion of all of the people.

Prior to this, President Kim Yong-sam attended a breakfast prayer meeting arranged by the protestant leaders in Seoul area at the Ambassador Hotel and stressed that the general trend of the issue concerning the RDP's presidential candidate was already decided through the rallies in Pusan and Taejon and that this trend would be further consolidated completely during the rally to be held

Election Proposal Rejected

OW260543 Tokyo KYODO in English 1338 GMT
26 Oct 87

[Text] Seoul, Oct. 26 KYODO — The political partnership between opposition rivals Kim Tae-chung and Kim Yong-sam virtually broke down Monday as Kim Tae-chung rejected his rivals proposal to select a unified opposition presidential candidate in a party congress early next month.

As a result, Kim Yong-sam, president of the major opposition Reunification Democratic Party, is expected to convene a party congress on November 5, as he earlier proposed, and to be named as the RDP candidate for the state presidential election in December.

Kim Tae-chung, now a standing adviser to RDP, is likely to run in the election by quitting the RDP and forming his own new party or standing as an independent. In either case, he is expected to declare his candidacy around Wednesday.

Kim Tae-chung disclosed his refusal of his rivals proposal Monday through Yi Chung-chai, an RDP vice president and a follower of Kim Tae-chung.

According to Yi, Kim Tae-chung, in refusing to accept the proposal, said that the people wish Kim Yong-sam to compromise and to agree to Kim Tae-chung running as the opposition candidate in the presidential election.

In rebuttal, Kim Yong-sam said Kim Tae-chung should make a concession in the rivalry. In support of this argument, he said he attracted larger audiences in his stumping tours in Pusan and Taejon than Kim Tae-chung did in his tours there, Yi said.

Kim Yong-sam told Yi Monday morning that he would convene the RDP congress on November 5 as planned. The ruling Democratic Justice Party has already picked its president No Tae-u as its candidate in the December presidential election while ex-Premier Kim Chong-pil also plans to run in the race.

The election is held to choose the successor to President Chon Tu-hwan, whose tenure is to end next February.

Kim Tae-chung To Form New Political Party

SK260517 Seoul Domestic Service in Korean
0300 GMT 26 Oct 87

[Excerpts] RDP President Kim Yong-sam and party Adviser Kim Tae-chung formally requested that the other withdraw his candidacy and Adviser Kim is pushing ahead with the plan to form a new party. Thus, the RDP is faced with a crisis of splitting the party. Reporter Ho Won-che reports.

[Begin Ho Recording] [passage omitted] Meanwhile, Adviser Kim Tae-chung decided to run for the presidency by organizing a new party with the Minkwonhoe, his own faction, as the center, in the case the fielding of a single candidate fails. It has been learned that he will formally declare his candidacy during a press conference with domestic and foreign reporters on 28 October, as well as his plans for a new party.

A source close to Kim Tae-chung revealed that party Adviser Kim Tae-chung carefully reviewed the plan to run for the presidency as an independent candidate, the plan to organize a new party and the candidacy based on the people's recommendation, and reached a conclusion that the candidacy from the new party is most advantageous. Thus, he decided to organize a new party with the Minkwonhoe, his faction, as the basic structure of the party and by accepting opposition forces and young supporters on a large scale.

Leading assemblymen from the Kim Tae-chung faction held a gathering at adviser Kim Tae-chung's house at Tonggyodong, and decided to turn their organizations into a full-scale election system, following adviser Kim's formal declaration for candidacy on 28 October, and to expand the supporting foundation by maintaining close relations with opposition forces.

The source also noted that the promoters' meeting for the new party will be held early next month.

Meanwhile, upon receiving notice of Adviser Kim's rejection of competitive candidacy, the RDP held an expanded key officials' meeting at the headquarters of the party and discussed its countermeasures.

However, only three persons from nine key officials from Kim Tae-chung's faction including party Vice President Yi Chung-chae, National Congress Chairman Yu Chae-hyon and Training Institute Director Yi Chae-kon were present. Thus, the party's operation was partly paralyzed.

Stressing that Adviser Kim should be held responsible for failing to field a single candidate, vice presidents of the party from the Kim Yong-sam's faction denounced adviser Kim's side.

Floor leader Kim Hyon-kyu pointed out that adviser Kim should allow the party congress to be held if he wants to run as an independent candidate and that he is attempting to paralyze the party's functions. He refuted Adviser Kim's act as totally running counter to the political morality. [end recording]

Further on New Party

SK260751 Seoul YONHAP in English 0741 GMT
26 Oct 87

[Text] Seoul, Oct. 26 (YONHAP)—Kim Tae-chung, permanent adviser to South Korea's major opposition Reunification Democratic Party (RDP), and his intraparty supporters have decided to organize a new opposition party and field Kim as the party's candidate in the expected presidential election.

Kim Tae-chung's intraparty faction, often called the Tonggyo-dong camp, named for the smallest administrative unit where Kim's residence is located, decided Sunday to announce Kim's candidacy and the formation of a new political party. It also decided to have a rally for the new party's promoters on Nov. 2.

Kim, in a statement issued by one of his spokesmen earlier Monday, made it clear that he opposed RDP President Kim Yong-sam's recent proposal for a ballot showdown in the RDP convention. Kim Tae-chung's decision to organize a new political party means a virtual split of the RDP since he has maintained a tight power balance in the party. Kim Tae-chung and Kim Yong-sam, the two top leaders of the RDP, have both called for fielding a single RDP candidate in the coming presidential election but have strongly refused to concede the right to run in the election.

Meanwhile, Kim Yong-sam's faction, called the Sanggyo-dong camp, decided to hold a party convention on Nov. 5 as scheduled for selecting the party's official candidate.

The Tonggyo-dong camp was said to have made its decision to form a new party during a meeting of key members held after a rally of university students at the Korea University campus in Seoul Sunday. Kim Tae-chung's followers were said to have estimated that the students and citizens at the rally expressed more support for Kim Tae-chung than for Kim Yong-sam.

Cho Yun-hyong, chief secretary to Kim Tae-chung, said Monday that his camp would hold a rally for the new party's promoters with more than 1,000 sympathizers attending. He said that it would take about two weeks before the party could be officially launched.

Kim Tae-chung, in a statement issued Monday by RDP Deputy President Yi Chung-chae, said, it is too late now to have a party convention and a vote showdown. Now we have to decide the candidate in terms of popularity among the people.

YONHAP Reports Referendum Arrangements

SK260321 Seoul YONHAP in English 0251 GMT
26 Oct 87

[Text] Seoul, Oct. 26 (YONHAP)—South Koreans will go to the polls Tuesday to vote in a national referendum on a new constitutional revision.

More than 13,600 polls throughout the country will be open from 7 a.m. to 6 p.m. for the 25,620,000 eligible voters.

If the revision is approved, Tuesday's vote will mark the first time that South Korea amends its Constitution without experiencing political turmoil.

The National Assembly passed the revision bill two weeks ago through interparty agreement for the first time in South Korea's 40-year constitutional history.

South Korea's National Referendum Law stipulates that the approval of the constitutional revision requires voter turnout by more than half of the eligible voters and support by more than half of the ballots cast.

The government has proclaimed Tuesday as a special holiday for the nation's sixth national referendum since the nation's first modern government was set up in 1948.

Officials at the Central Election Management Committee expect that initial results of the voting will be available sometime early Wednesday after the ballots are counted overnight.

As soon as the official vote count is completed, the Central Election Management Committee will announce the results of the referendum and notify the government. The president is then to proclaim the results in order to make the constitutional revision official. The presidential proclamation is expected Friday.

The new Constitution, if approved, will take effect Feb. 25 next year when a new government is sworn in.

Under an interparty agreement, the presidential elections will be held before the new Constitution goes into effect.

'Text' of Constitution

SK240301 Seoul THE KOREA HERALD in English
24 Oct 87 pp 8, 9, 10

["Full text" of "official translation" of the amendment
to the Constitution of the Republic of Korea]

[Text] Preamble [Subhead]

We the people of Korea, proud of a resplendent history and traditions dating from time immemorial, upholding the cause of the Provisional Republic of Korea Government born of the March First Independence Movement of 1919 and the democratic ideals of the April Nineteenth Uprising of 1960 against injustice, having assumed the mission of democratic reform and peaceful unification of our homeland and having determined to consolidate national unity with justice, humanitarianism and brotherly love, and

To destroy all social vices and injustice, and

To afford equal opportunities to every person and provide for the fullest development of individual capabilities in all fields, including political, economic, civic and cultural life by further strengthening the basic free and democratic order conducive to private initiative and public harmony, and

To help each person discharge those duties and responsibilities concomitant to freedoms and rights, and

To elevate the quality of life for all citizens and contribute to lasting world peace and the common prosperity of mankind and thereby to ensure security, liberty and happiness for ourselves and our posterity forever,

Do hereby amend, through national referendum following a resolution by the National Assembly, the Constitution, ordained and established on the Twelfth Day of July anno Domini Nineteen hundred and forty-eight, and amended eight times subsequently.

The day of October

anno Domini Nineteen

hundred and eighty-seven. [Date as Published]

Chapter I [Roman one] [Subhead]

General provisions [Subhead]

Article 1

(1) The Republic of Korea shall be a democratic republic.

(2) The sovereignty of the Republic of Korea shall reside in the people, and all state authority shall emanate from the people.

Article 2

(1) Nationality in the Republic of Korea shall be prescribed by law.

(2) It shall be the duty of the State to protect citizens residing abroad as prescribed by law.

Article 3

The territory of the Republic of Korea shall consist of the Korean peninsula and its adjacent islands.

Article 4

The Republic of Korea shall seek unification and shall formulate and carry out a policy of peaceful unification based on the principles of freedom and democracy.

Article 5

(1) The Republic of Korea shall endeavor to maintain international peace and shall renounce all aggressive wars.

(2) The Armed Forces shall be charged with the sacred mission of national security and the defense of the land and their political neutrality shall be maintained.

Article 6

(1) Treaties duly concluded and promulgated in accordance with the Constitution and the generally recognized rules of international law shall have the same effect as the domestic laws of the Republic of Korea.

(2) The status of aliens shall be guaranteed as prescribed by international law and treaties.

Article 7

(1) All public officials shall be servants of the entire people and shall be responsible to the people.

(2) The status and political impartiality of public officials shall be guaranteed as prescribed by law.

Article 8

(1) The establishment of political parties shall be free, and the plural party system shall be guaranteed.

(2) Political parties shall be democratic in their objectives, organization and activities, and shall have the necessary organizational arrangements for the people to participate in the formation of the political will.

(3) Political parties shall enjoy the protection of the State and may be provided with operation funds by the State as prescribed by law.

(4) If the purposes or activities of a political party are contrary to the fundamental democratic order, the Government may bring action against it in the Constitution Court for its dissolution, and the political party shall be dissolved in accordance with the decision of the Constitution Court.

Article 9

The State shall strive to sustain and develop the cultural heritage and to enhance national culture.

Chapter II [Subhead]

Rights and duties of citizens [Subhead]

Article 10

All citizens shall be assured of human worth and dignity and have the right to pursue happiness. It shall be the duty of the State to confirm and guarantee the fundamental and inviolable human rights of individuals.

Article 11

(1) All citizens shall be equal before the law, and there shall be no discrimination in political, economic, societal or cultural life on account of sex, religion or social status.

(2) No privileged caste shall be recognized or ever established in any form.

(3) The awarding of decorations or distinctions of honor in any form shall be effective only for recipients, and no privileges shall ensue therefrom.

Article 12

(1) All citizens shall enjoy personal liberty. No person shall be arrested, detained, searched, seized or interrogated except as provided by law. No person shall be punished, placed under preventive restrictions or subject to involuntary labor except as provided by law and through lawful procedures.

(2) No citizen shall be tortured or be compelled to testify against himself in criminal cases.

(3) Warrants issued by a judge through due procedures upon the request of a prosecutor shall be presented in case of arrest, detention, seizure or search: except that, in a case where a criminal suspect is apprehended flagrante delicto, or where there is danger that a person suspected of committing a crime punishable by imprisonment of three years or more may escape or destroy evidence, investigative authorities may request an ex post facto warrant.

(4) Any person who is arrested or detained shall have the right to prompt assistance of counsel. When a criminal defendant is unable to secure counsel by his own efforts, the State shall assign counsel for the defendant as prescribed by law.

(5) No person shall be arrested or detained without being informed of the reason therefor and of his right to assistance of counsel. The family, etc., as designated by law, of a person arrested or detained shall be notified without delay of the reason for and the time and place of the arrest or detention.

(6) Any person who is arrested or detained shall have the right to request the court to review the legality of the arrest or detention.

(7) In a case where a confession is deemed to have been made against a defendant's will due to torture, violence, intimidation, unduly prolonged arrest, deceit, etc., or in a case where a confession is the only evidence against a defendant in a formal trial, such a confession shall not be admitted as evidence of guilt nor shall a defendant be punished by reason of such a confession.

Article 13

(1) No citizen shall be prosecuted for an act which does not constitute a crime under the law in force at the time it was committed, nor shall he be placed in double jeopardy.

(2) No restrictions shall be imposed upon the political rights of any citizen, nor shall any person be deprived of property rights by means of retroactive legislation.

(3) No citizen shall suffer unfavorable treatment on account of an act not of his own doing but committed by a relative.

Article 14

All citizens shall enjoy freedom of residence and the right to move at will.

Article 15

All citizens shall enjoy freedom of occupation.

Article 16

All citizens shall be free from intrusion into their place of residence. In case of search or seizure in a residence, a warrant issued by a judge upon request of a prosecutor shall be presented.

Article 17

The privacy of no citizen shall be infringed.

Article 18

The privacy of correspondence of no citizen shall be infringed.

Article 19

All citizens shall enjoy freedom of conscience.

Article 20

(1) All citizens shall enjoy freedom of religion.

(2) No state religion shall be recognized, and religion and politics shall be separated.

Article 21

(1) All citizens shall enjoy freedom of speech and the press, and freedom of assembly and association.

(2) Licensing or censorship of speech and the press, and licensing of assembly and association shall not be recognized.

(3) The standards of news service and broadcast facilities and matters necessary to ensure the functions of newspapers shall be determined by law.

(4) Neither speech nor the press shall violate the honor or rights of other person nor undermine public morals or social ethics. Should speech or the press violate the honor or rights of other persons, claims may be made for the damage resulting therefrom.

Article 22

(1) All citizens shall enjoy freedom of learning and the arts.

(2) The rights of authors, inventors, scientists, engineers and artists shall be protected by law.

Article 23

(1) The right of property of all citizens shall be guaranteed. The contents and limitations thereof shall be determined by law.

(2) The exercise of property rights shall conform to the public welfare.

(3) Expropriation, use or restriction of private property from public necessity and compensation therefore shall be governed by law. However, in such a case, just compensation shall be paid.

Article 24

All citizens shall have the right to vote as prescribed by law.

Article 25

All citizens shall have the right to hold public office as prescribed by law.

Article 26

(1) All citizens shall have the right to petition in writing to any governmental agency as prescribed by law.

(2) The State shall be obligated to examine all such petitions.

Article 27

(1) All citizens shall have the right to be tried in conformity with the law by judges qualified under the Constitution and the law.

(2) Citizens who are not on active military service or employees of the military forces shall not be tried by a court martial within the territory of the Republic of Korea except in case of crimes prescribed by law involving important classified military information, sentinels, sentry posts, the supply of harmful food and beverages, prisoners of war and military articles and facilities and in the case of the proclamation of extraordinary martial law.

(3) All citizens shall have the right to a speedy trial. The accused shall have the right to a public trial without delay in the absence of justifiable reasons to the contrary.

(4) The accused shall be presumed innocent until a judgment of guilt has been pronounced.

(5) A victim of a crime shall be entitled to make a statement during the proceedings of the trial of the case involved as prescribed by law.

Article 28

In a case where a criminal suspect or an accused person who has been placed under detention is not indicted as provided by law or is acquitted by a court he shall be entitled to claim just compensation from the State as prescribed by law.

Article 29

(1) In case a person has sustained damages by an unlawful act committed by a public official in the course of official duties, he may claim just compensation from the State or public organization as prescribed by law. In this case, the public official concerned shall not be immune from liabilities.

(2) In case a person on active military service or an employee of the military forces, a police official or others as prescribed by law sustains damages in connection with the performance of official duties such as combat action, drill and so forth, he shall not be entitled to a claim against the State or public organization on the

grounds of unlawful acts committed by public officials in the course of official duties, but shall be entitled only to compensation as prescribed by law.

Article 30

Citizens who have suffered bodily injury or death due to criminal acts of others may receive aid from the State as prescribed by law.

Article 31

(1) All citizens shall have an equal right to receive an education corresponding to their abilities.

(2) All citizens who have children to support shall be responsible at least for their elementary education and other education as provided by law.

(3) Compulsory education shall be free.

(4) Independence, professionalism and political impartiality of education and the autonomy of institutions of higher learning shall be guaranteed as prescribed by law.

(5) The State shall promote lifelong education.

(6) Fundamental matters pertaining to the educational system, including in-school and lifelong education, administration, finance, and the status of teachers shall be determined by law.

Article 32

(1) All citizens shall have the right to work. The State shall endeavor to promote the employment of workers and to guarantee optimum wages through social and economic means and shall enforce a minimum wage system as prescribed by law.

(2) All citizens shall have the duty to work. The State shall prescribe by law the extent and conditions of the duty to work in conformity with democratic principles.

(3) Standards of working conditions shall be determined by law in such a way as to guarantee human dignity.

(4) Special protection shall be accorded to working women and they shall not be subjected to unjust discrimination in terms of employment, wages and working conditions.

(5) Special protection shall be accorded to working children.

(6) The opportunity to work shall be accorded preferentially, as prescribed by law, to those who have given distinguished service to the State, wounded veterans and policemen, and members of the bereaved families of military servicemen and policemen killed in action.

Article 33

(1) To enhance working conditions, workers shall have the right to independent association, collective bargaining and collective action.

(2) Only those public officials who are designated by law shall have the right to association, collective bargaining and collective action.

(3) The right to collective action of workers employed by important defense industries may be either restricted or denied as prescribed by law.

Article 34

(1) All citizens shall be entitled to a life worthy of human beings.

(2) The State shall have the duty to endeavor to promote social security and welfare.

(3) The State shall endeavor to promote the welfare and rights of women.

(4) The State shall have the duty to implement policies for enhancing the welfare of senior citizens and the young.

(5) Citizens who are incapable of earning a livelihood due to a physical disability, disease, old age or other reasons shall be protected by the State as prescribed by law.

(6) The State shall endeavor to prevent disasters and to protect citizens from harm therefrom.

Article 35

(1) All citizens shall have the right to a healthy and pleasant environment. The State and all citizens shall endeavor to protect the environment.

(2) The substance of the environmental right shall be determined by law.

(3) The State shall endeavor to ensure comfortable housing for all citizens through housing development policies and the like.

Article 36

(1) Marriage and family life shall be entered into and sustained on the basis of individual dignity and equality of the sexes and the State shall do everything in its power to achieve that goal.

(2) The State shall endeavor to protect mothers.

(3) The health of all citizens shall be protected by the State.

Article 37

(1) Freedoms and rights of citizens shall not be neglected on the grounds that they are not enumerated in the Constitution.

(2) The freedoms and rights of citizens may be restricted by law only when necessary for national security, the maintenance of law and order or for public welfare. Even when such restriction is imposed, no essential aspect of the freedom or right shall be violated.

Article 38

All citizens shall have the duty to pay taxes as prescribed by law.

Article 39

(1) All citizens shall have the duty of national defense as prescribed by law.

(2) No citizens shall be treated unfavorably on account of the fulfillment of his obligation of military service.

Chapter III [Subhead]

The National Assembly [Subhead]

Article 40

The legislative power shall be vested in the National Assembly.

Article 41

(1) The National Assembly shall be composed of members elected by universal, equal, direct and secret ballot by the citizens.

(2) The number of members of the National Assembly shall be determined by law, but the number shall not be less than 200.

(3) The constituencies of members of the National Assembly, proportional representation and other matters pertaining to National Assembly elections shall be determined by law.

Article 42

The term of office of members of the National Assembly shall be four years.

Article 43

Members of the National Assembly shall not concurrently hold any other office prescribed by law.

Article 44

(1) During the sessions of the National Assembly, no member of the National Assembly shall be arrested or detained without the consent of the National Assembly except in case of flagrante delicto.

(2) In case of apprehension or detention of a member of the National Assembly prior to the opening of a session, such member shall be released during the session upon the request of the National Assembly, except in case of flagrante delicto.

Article 45

No member of the National Assembly shall be held responsible outside the National Assembly for opinions officially expressed or votes cast in the Assembly.

Article 46

(1) Members of the National Assembly shall have the duty to maintain high standards of integrity.

(2) Members of the National Assembly shall give preference to national interests and shall perform their duties in accordance with conscience.

(3) Members of the National Assembly shall not acquire, through abuse of their positions, rights and interests in property or positions, or assist other persons to acquire the same, by means of contracts with or dispositions by the State, public organizations or industries.

Article 47

(1) A regular session of the National Assembly shall be convened once every year as prescribed by law, and extraordinary sessions of the National Assembly shall be convened upon the request of the President or one fourth or more of the total members.

(2) The period of regular sessions shall not exceed a hundred days and of extraordinary sessions thirty days.

(3) If the President requests the convening of an extraordinary session, the period of the session and the reasons for the request shall be clearly specified.

Article 48

The National Assembly shall elect one Speaker and two Vice-speakers.

Article 49

Except as otherwise provided for in the Constitution or in law, the attendance of a majority of the total members, and the concurrent vote of a majority of the members present, shall be necessary for decisions of the National Assembly. In case of a tie vote, the matter shall be regarded as rejected.

Article 50

(1) Sessions of the National Assembly shall be open to the public: except that, when it is decided so by a majority of the members present, or when the Speaker deems it necessary to do so for the sake of national security, they may be closed to the public.

(2) The public disclosure of the proceedings of sessions which were not open to the public shall be determined by law.

Article 51

Bills and other matters submitted to the National Assembly for deliberation shall not be abandoned on the ground that they were not acted upon during the session in which they were introduced, except in a case where the term of the members of the National Assembly has expired.

Article 52

Bills may be introduced by members of the National Assembly or by the Executive.

Article 53

(1) Each bill passed by the National Assembly shall be sent to the Executive, and the President shall promulgate it within fifteen days.

(2) In case of objection to the bill, the President may, within the period referred to in Paragraph (1), return it to the National Assembly with written explanation of his objection, and request it be reconsidered. The President may do the same during adjournment of the National Assembly.

(3) The President shall not request the National Assembly to reconsider the bill in part, or with proposed amendments.

(4) In case there is a request for reconsideration of a bill, the National Assembly shall reconsider it, and if the National Assembly repasses the bill in the original form with the attendance of more than one half of the total members, and with a concurrent vote of two thirds or more of the members present, it shall become law.

(5) If the President does not promulgate the bill, or does not request the National Assembly to reconsider it within the period referred to in Paragraph (1), it shall become law.

(6) The President shall promulgate without delay the law as finalized under Paragraphs (4) and (5). If the President does not promulgate a law within five days after it has become law under Paragraph (5), or after it has

become law under Paragraph (5), or after it has been returned to the Executive under Paragraph (4), the Speaker shall promulgate it.

(7) Except as provided otherwise, a law shall take effect twenty days after the date of promulgation.

Article 54

(1) The National Assembly shall deliberate and decide upon the national budget bill.

(2) The Executive shall formulate the budget bill for each fiscal year and submit it to the National Assembly within ninety days before the beginning of a fiscal year. The National Assembly shall decide upon it within thirty days before the beginning of the fiscal year.

(3) If the budget bill is not passed by the beginning of the fiscal year, the Executive may, in conformity with the budget of the previous fiscal year, disburse funds for the following purposes until the budget bill is passed by the National Assembly:

1. The maintenance and operation of agencies and facilities established by the Constitution or law;
2. Execution of the obligatory expenditures as prescribed by law; and
3. Continuation of projects previously approved in the budget.

Article 55

(1) In a case where it is necessary to make continuing disbursements for a period longer than one fiscal year, the Executive shall obtain the approval of the National Assembly for a specified period of time.

(2) A reserve fund shall be approved by the National Assembly in total. The disbursement of the reserve fund shall be approved during the next session of the National Assembly.

Article 56

When it is necessary to amend the budget, the Executive may formulate a supplementary revised budget bill and submit it to the National Assembly.

Article 57

The National Assembly shall, without the consent of the Executive, neither increase the sum of any item of expenditure nor create any new items of expenditure in the budget submitted by the Executive.

Article 58

When the Executive plans to issue national bonds or to conclude contracts which may incur financial obligations on the State outside the budget, it shall have the prior concurrence of the National Assembly.

Article 59

Types and rates of taxes shall be determined by law.

Article 60

(1) The National Assembly shall have the right to consent to the conclusion and ratification of treaties pertaining to mutual assistance or mutual security; treaties concerning important international organizations; treaties of friendship trade and navigation; treaties pertaining to any restriction in sovereignty; peace treaties; treaties which will burden the State or people with an important financial obligation; or treaties related to legislative matters.

(2) The National Assembly shall also have the right to consent to the declaration of war, the dispatch of armed forces to foreign states, or the stationing of alien forces in the territory of the Republic of Korea.

Article 61

(1) The National Assembly may inspect affairs of state or investigate specific matters of state affairs, and may demand the production of documents directly related thereto, the appearance of a witness in person and the furnishing of testimony or statement of opinions.

(2) The procedures and other necessary matters concerning the inspection and investigation of State administration shall be determined by law.

Article 62

(1) The Prime Minister, members of the State Council or government delegates may attend meetings of the National Assembly or its committees and report on the state administration or deliver opinions and answer questions.

(2) When requested by the National Assembly or its committees, the Prime Minister, members of the State Council or government delegates shall attend any meeting of the National Assembly and answer questions. If the Prime Minister or State Council members are requested to attend, the Prime Minister or State Council members may have State Council members or government delegates attend any meeting of the National Assembly and answer questions.

Article 63

(1) The National Assembly may pass a recommendation for the removal of the Prime Minister or a State Council member from office.

(2) A recommendation for removal as referred to in Paragraph (1) may be introduced by one third or more of the total members of the National Assembly, and shall be passed with the concurrent vote of a majority of the total members of the National Assembly.

Article 64

(1) The National Assembly may establish the rules of its proceedings and internal regulations, provided that they are not in conflict with law.

(2) The National Assembly may review the qualifications of its members and may take disciplinary actions against its members.

(3) The concurrent vote of two thirds or more of the total members of the National Assembly shall be required for the expulsion of any member.

(4) No action shall be brought to court with regard to decisions taken under Paragraphs (2) and (3).

Article 65

(1) In case the President, the Prime Minister, members of the State Council, heads of Executive Ministries, judges of the Constitution Court, judges, members of the Central Election Management Committee, members of the Board of Audit and Inspection, and other public officials designated by law have violated the Constitution or other laws in the performance of official duties, the National Assembly may pass motions for their impeachment.

(2) A motion for impeachment prescribed in Paragraph (1) may be proposed by one third or more of the total members of the National Assembly, and shall require a concurrent vote of a majority of the total members of the National Assembly for passage: except that, a motion for the impeachment of the President shall be proposed by a majority of the total members of the National Assembly and approved by two thirds or more of the total members of the National Assembly.

(3) Any person against whom a motion for impeachment has been passed shall be suspended from exercising his power until the impeachment has been adjudicated.

(4) A decision on impeachment shall not extend further than removal from public office. However, it shall not exempt the person impeached from civil or criminal liability.

Chapter IV [Subhead]

The Executive [Subhead]

Part I. The President [Subhead]

Article 66

(1) The President shall be the head of State and represent the State vis-a-vis foreign states.

(2) The President shall have the responsibility and duty to safeguard the independence, territorial integrity and continuity of the State and the Constitution.

(3) The President shall have the duty to pursue sincerely the peaceful unification of the homeland.

(4) Executive power shall be vested in the Executive Branch headed by the President.

Article 67

(1) The president shall be elected by universal, equal, direct and secret ballot by the people.

(2) In case two or more persons receive the same largest number of votes in the election as referred to in Paragraph (1), the person who receives the largest number of votes in an open session of the National Assembly attended by a majority of the total members of the National Assembly shall be elected.

(3) If and when there is only one presidential candidate, he shall not be elected president unless he receives at least one third of the total eligible votes.

(4) Citizens who are eligible for election to the National Assembly, and who have reached the age of forty years or more on the date of the presidential election, shall be eligible to be elected to the presidency.

(5) Matters pertaining to presidential elections shall be determined by law.

Article 68

(1) The successor to the incumbent President shall be elected seventy to thirty days before his term expires.

(2) In case a vacancy occurs in the office of the President or the President-elect dies, or is disqualified by a court ruling or for any other reason, a successor shall be elected within sixty days.

Article 69

The President, at the time of his inauguration, shall take the following oath: "I do solemnly swear before the people that I will faithfully execute the duties of the President by observing the Constitution, defending the State, pursuing the peaceful unification of the homeland, promoting the freedom and welfare of the people and endeavoring to develop national culture."

Article 70

The term of office of the President shall be five years, and the President shall not be reelected.

Article 71

If the office of the Presidency is vacant, or the President is unable to perform his duties for any reason, the Prime Minister or the members of the State Council in the order of priority as determined by law shall act for him.

Article 72

The President may submit important policies relating to diplomacy, national defense, unification and other matters relating to the national destiny to a national referendum if he deems it necessary.

Article 73

The President shall conclude and ratify treaties; accredit, receive or dispatch diplomatic envoys; and declare war and conclude peace.

Article 74

(1) The President shall be Commander-in-chief of the Armed Forces as prescribed by the Constitution and law.

(2) The organization and formation of the Armed Forces shall be determined by law.

Article 75

The President may issue presidential decrees concerning matters delegated to him by law with the scope specifically defined and also matters necessary to enforce laws.

Article 76

(1) In time of internal turmoil, external menace, natural calamity or a grave financial or economic crisis, the President may take in respect to them the minimum necessary financial and economic actions or issue orders having the effect of law, only when it is required to take urgent measures for the maintenance of national security or public peace and order, and there is no time to await the convocation of the National Assembly.

(2) In case of major hostilities affecting national security, the President may issue orders having the effect of law, only when it is required to preserve the integrity of the nation, and it is impossible to convene the National Assembly.

(3) In case actions are taken or orders are issued under Paragraphs (1) and (2), the president shall promptly notify the National Assembly and obtain its approval.

(4) In case no approval is obtained, the actions or orders shall lose effect forthwith. In such a case, the laws which were amended or abolished by the orders in question shall automatically regain their original effect at the moment the orders fail to obtain approval.

(5) The President shall, without delay, put on public notice developments under Paragraphs (3) and (4).

Article 77

(1) When it is required to cope with a military necessity or to maintain the public safety and order by mobilization of the military forces in time of war, armed conflict or similar national emergency, the President may proclaim martial law as prescribed by law.

(2) Martial law shall be of two types extraordinary martial law and precautionary martial law.

(3) Under extraordinary martial law, special measures may be taken with respect to the necessity for warrants, freedom of speech, the press, assembly and association, or the powers of the Executive and Judiciary as prescribed by law.

(4) When the President has proclaimed martial law, he shall notify the National Assembly without delay.

(5) When the National Assembly requests the lifting of martial law with the concurrent vote of a majority of the total members of the National Assembly, the President shall comply.

Article 78

The President shall appoint public officials as prescribed by the Constitution and law.

Article 79

(1) The President may grant amnesty, commutation and restoration of rights as prescribed by law.

(2) The President shall received the consent of the National Assembly in granting a general amnesty.

(3) Matters pertaining to amnesty, commutation and restoration of rights shall be determined by law.

Article 80

The President shall award decorations and other honors as prescribed by law.

Article 81

The President may attend and address the National Assembly or express his views by written message.

Article 82

The acts of the President under law shall be executed in writing, and such documents shall be countersigned by the Prime Minister and the members of the State council concerned. The same shall apply to military affairs.

Article 83

The President shall not concurrently hold the office of Prime Minister, a member of the State Council, the head of any Executive Ministry, nor other public or private posts as prescribed by law.

Article 84

The President shall not be charged with a criminal offense during his tenure of office except for insurrection or treason.

Article 85

Matters pertaining to the status and courteous treatment of former Presidents shall be determined by law.

Part 2. The Executive branch [Subhead]

Section 1. The Prime Minister and members of the State Council [Subhead]

Article 86

(1) The Prime Minister shall be appointed by the President with the consent of the National Assembly.

(2) The Prime Minister shall assist the President and shall direct the Executive Ministries under order of the President.

(3) No member of the military shall be appointed Prime Minister unless he is retired from active duty.

Article 87

(1) The members of the State Council shall be appointed by the President on the recommendation of the Prime Minister.

(2) The members of the State Council shall assist the President in the conduct of State affairs and, as constituents of the State Council, shall deliberate on State affairs.

(3) The Prime Minister may recommend to the President the removal of a member of the State Council from office.

(4) No member of the military shall be appointed a member of the State Council unless he is retired from active duty.

Section 2. The State Council [Subhead]

Article 88

(1) The State Council shall deliberate on important policies that fall within the power of the Executive.

(2) The State Council shall be composed of the president, the Prime Minister, and other members whose number shall be no more than thirty and no less than fifteen.

(3) The President shall be the chairman of the State Council, and the Prime Minister shall be the Vice Chairman.

Article 89

The following matters shall be referred to the State Council for deliberation:

1. Basic plans for state affairs, and general policies of the Executive;
2. Declaration of war, conclusion of peace and other important matters pertaining to foreign policy;
3. Draft amendments to the Constitution, proposals for national referendums, proposed treaties, legislative bills, and proposed presidential decrees;
4. Budgets, closing of accounts, basic plans for disposal of state properties, contracts incurring financial obligation on the State, and other important financial matters;
5. Emergency orders and emergency financial and economic actions or orders by the President, and declaration and termination of martial law;
6. Important military affairs;
7. Requests for convening an extraordinary session of the National Assembly;
8. Awarding of honors;
9. Granting of amnesty, commutation and restoration of rights;
10. Demarcation of jurisdiction between Executive Ministries;
11. Basic plans concerning delegation or allocation of powers within the Executive;
12. Evaluation and analysis of the administration of state affairs;
13. Formulation and coordination of important policies of each Executive Ministry;
14. Action for the dissolution of a political party;
15. Examination of petitions pertaining to executive policies submitted or referred to the Executive;

16. Appointment of the Prosecutor General, the Chairman of the Joint Chiefs of Staff, the Chief of Staff of each armed service, the presidents of national universities, ambassadors, and such other public officials and managers of important state-run enterprises as designated by law; and

17. Other matters presented by the President, the Prime Minister or a member of the State Council.

Article 90

(1) An Advisory Council of Elder Statesmen, composed of elder statesmen, may be established to advise the President on important affairs of state.

(2) The immediate former President shall become the Chairman of the Advisory Council of Elder Statesmen; except that, if there is no immediate former President, the President shall appoint the Chairman.

(3) The organization, function and other necessary matters pertaining to the Advisory Council of Elder Statesmen shall be determined by law.

Article 91

(1) A National Security Council shall be established to advise the President on the formulation of foreign, military and domestic policies related to national security prior to their deliberation by the State Council.

(2) The meetings of the national Security Council shall be presided over by the President.

(3) The organization, function and other necessary matters pertaining to the National Security Council shall be determined by law.

Article 92

(1) An Advisory Council on Democratic and Peaceful Unification may be established to advise the President on the formulation of peaceful unification policy.

(2) The organization, function and other necessary matters pertaining to the Advisory Council on Democratic and Peaceful Unification shall be determined by law.

Article 93

(1) A National Economic Advisory Council may be established to advise the President on the formulation of important policies for developing the national economy.

(2) The organization, function and other necessary matters pertaining to the National Economic Advisory Council shall be determined by law.

Section 3. The Executive Ministries [subhead]

Article 94

Heads of Executive Ministries shall be appointed by the President from among members of the State Council on the recommendation of the Prime Minister.

Article 95

The Prime Minister or the head of each Executive Ministry may, under the powers delegated by law or presidential Decree, or ex officio, issue ordinances of the Prime Minister or the Executive Ministry concerning matters that are within their jurisdiction.

Article 96

The establishment, organization and function of each Executive Ministry shall be determined by law.

Section 4. The Board of Audit and Inspection [subhead]

Article 97

A Board of Audit and Inspection shall be established under the direct jurisdiction of the President to inspect and examine the settlement of the revenues and expenditures of the State, the accounts of the State and other organizations specified by law and the job performances of the executive agencies and public officials.

Article 98

(1) The Board of Audit and Inspection shall be composed of no less than five and no more than eleven members, including the Chairman.

(2) The Chairman of the Board shall be appointed by the President with the consent of the National Assembly. The term of office of the Chairman shall be four years, and he may be reappointed only once.

(3) The members of the Board shall be appointed by the President on the recommendation of the Chairman. The term of office of the members shall be four years, and they may be reappointed only once.

Article 99

The Board of Audit and Inspection shall inspect the closing of accounts of revenues and expenditures each year, and report and results to the President and the National Assembly in the following year.

Article 100

The organization and function of the Board, the qualifications of its members, the range of the public officials subject to inspection and other necessary matters shall be determined by law.

Chapter V [subhead]

The Courts [subhead]

Article 101

(1) Judicial power shall be vested in courts composed of judges.

(2) The courts shall be composed of the Supreme Court, which is the highest court of the State, and other courts at specified levels.

(3) Qualifications for judges shall be determined by law.

Article 102

(1) Departments may be established in the Supreme Court.

(2) There shall be Supreme Court Justices at the Supreme Court: except that, judges other than Supreme Court Justices may be assigned to the Supreme Court as prescribed by law.

(3) The organization of the Supreme Court and lower courts shall be determined by law.

Article 103

Judges shall rule independently according to their conscience and in conformity with the Constitution and law.

Article 104

(1) The Chief Justice of the Supreme Court shall be appointed by the President with the consent of the National Assembly.

(2) The Supreme Court Justices shall be appointed by the President on the recommendation of the Chief Justice and with the consent of the National Assembly.

(3) Judges other than the Chief Justice and the Supreme Court Justices shall be appointed by the Chief Justice with the consent of the Conference of Supreme Court Justices.

Article 105

(1) The term of office of the Chief Justice shall be six years, and he shall not be reappointed.

(2) The term of office of the Justices of the Supreme Court shall be six years and they may be reappointed as prescribed by law.

(3) The term of office of judges other than the Chief Justice and Justices of the Supreme Court shall be ten years, and they may be reappointed as prescribed by law.

(4) The retirement age of judges shall be determined by law.

Article 106

(1) No judge shall be removed from office except by impeachment or a sentence of imprisonment or heavier punishment, nor shall he be suspended from office, have his salary reduced or suffer any other unfavorable treatment except by disciplinary action.

(2) In the event a judge is unable to discharge his official duties because of serious mental or physical impairment he may be retired from office as prescribed by law.

Article 107

(1) When the constitutionality of a law is at issue in a trial, the court shall request a decision of the Constitution Court, and shall judge according to the decision thereof.

(2) The Supreme Court shall have the power to make a final review of the constitutionality or legality of administrative decrees, regulations or actions, when their constitutionality or legality is at issue in a trial.

(3) Administrative appeals may be conducted as a procedure prior to a judicial trial. The procedure of administrative appeals shall be determined by law and shall be in conformity with the principles of judicial procedures.

Article 108

The Supreme Court may establish, within the scope of law, regulations pertaining to judicial proceedings and internal discipline and regulations on administrative matters of the court.

Article 109

Trials and decisions of the courts shall be open to the public: provided that when there is a danger that such trials may undermine the national security or disturb public safety and order, or be harmful to public morals, trials may be closed to the public by court decision.

Article 110

(1) Courts-martial may be established as special courts to exercise jurisdiction over military trials.

(2) The Supreme Court shall have the final appellate jurisdiction over courts-martial.

(3) The organization and authority of courts-martial, and the qualifications of their judges shall be determined by law.

(4) Military trials under an extraordinary martial law may not be appealed in case of crimes of soldiers and employees of the military; military espionage; and

crimes as defined by law in regard to sentinels, sentry posts, supply of harmful foods and beverages, and prisoners of war, except in the case of a death sentence.

Chapter VI [subhead]

The Constitution court [subhead]

Article 111

- (1) The Constitution Court shall adjudicate the following matters.
 1. The constitutionality of a law upon the request of the courts;
 2. Impeachment;
 3. Dissolution of a political party;
 4. Disputes about the jurisdictions between State agencies, between State agencies and local governments and between local governments; and
 5. Petitions relating to the Constitution as prescribed by law.
- (2) The Constitution Court shall be composed of nine adjudicators qualified to be court judges, and they shall be appointed by the president.
- (3) Among the adjudicators referred to in Paragraph (2), three shall be appointed from persons selected by the National Assembly, and three appointed from persons nominated by the Chief Justice.
- (4) The head of the Constitution Court shall be appointed by the President from among the adjudicators with the consent of the National Assembly.

Article 112

- (1) The term of office of the adjudicators of the Constitutional Court shall be six years and they may be reappointed as prescribed by law.
- (2) The adjudicators of the Constitution Courts shall not join any political party, nor shall they participate in political activities.
- (3) No adjudicator of the Constitution Court shall be expelled from office except by impeachment or a sentence of imprisonment or heavier punishment.

Article 113

- (1) When the Constitution Court makes a decision on the unconstitutionality of a law, impeachment, dissolution of a political party or a petition relating to the Constitution, the concurrence of six adjudicators or more shall be required.
- (2) The Constitution Court may establish regulations related to its proceedings and internal discipline and regulations on administrative matters within the limits of law.

(3) The organization, punction and other necessary matters of the Constitution Court shall be determined by law.

Chapter VII [subhead]

Election management [subhead]

Article 114

(1) Election Management Committees shall be established for the purpose of fair management of elections and national referendums, and dealing with administrative affairs concerning political parties.

(2) The Central Election Management Committee shall be composed of three members appointed by the President, three members selected by the National Assembly, and three members nominated by the Chief Justice of the Supreme Court. The Chairman of the Committee shall be elected from among the members.

(3) The term of office of the members of the Committee shall be six years.

(4) The members of the Committee shall not join political parties, nor shall they participate in political activities.

(5) No member of the Committee shall be expelled from office except by impeachment or a sentence of imprisonment or heavier punishment.

(6) The Central Election Management Committee may establish, within the limit of laws and decrees, regulations relating to the management of elections, national referendums, and administrative matters concerning political parties and may also establish regulations relating to internal discipline that are cmmpatible with law.

(7) The organization, function and other necessary matters of the Election Management Committees at each level shall be determined by law.

Article 115

(1) Election Management Committees at each level may issue necessary instructions to administrative agencies concerned with respect to administrative matters pertaining to elections and national referendums such as the preparation of the rosters of voters.

(2) Administrative agencies concerned, upon receipt of such instructions, shall comply.

Article 116

(1) Election campaigns shall be conducted under the management of the Election Management Committees at each level within the limit set by law. Equal opportunity shall be guaranteed.

(2) Except as otherwise prescribed by law, expenditures for elections shall not be imposed on political parties or candidates.

Chapter VIII [subhead]

Local autonomy [subhead]

Article 117

(1) Local governments shall deal with administrative matters pertaining to the welfare of local residents, manage properties, and may enact provisions relating to local autonomy, within the limit of laws and regulations.

(2) The types of local governments shall be determined by law.

Article 118

(1) A local government shall have a council.

(2) The organization and powers of local councils, and the election of members; election procedures for heads of local government bodies; and other matters pertaining to the organization and operation of local governments shall be determined by law.

Chapter IX [subhead]

The economy [subhead]

Article 119

(1) The economic order of the Republic of Korea shall be based on a respect for the freedom and creative initiative of enterprises and individuals in economic affairs.

(2) The State may regulate and coordinate economic affairs in order to maintain the balanced growth and stability of the national economy to ensure proper distribution of income, to prevent the domination of the market and the abuse of economic power and to democratize the economy through harmony among the economic agents.

Article 120

(1) Licenses to exploit, develop or utilize minerals and all other important underground resources, marine resources, water power, and natural powers available for economic use may be granted for a period of time as prescribed by law.

(2) The land and natural resources shall be protected by the State, and the State shall establish a plan necessary for their balanced development and utilization.

Article 121

(1) The State shall endeavor to realize the land-to-the-tillers principle with respect to agricultural and tenant farming shall be prohibited.

(2) The leasing of agricultural land and the consignment management of agricultural land to increase agricultural productivity and to ensure the rational utilization of agricultural land or due to unavoidable circumstances shall be recognized as prescribed by law.

Article 122

The State may impose, as prescribed by law, restrictions or obligations necessary for the efficient and balanced utilization, development and preservation of the land of the nation that is the basis for the productive activities and daily lives of all citizens.

Article 123

(1) The State shall establish and implement a plan to comprehensively develop and support farm and fishing communities in order to protect and foster agriculture and fisheries.

(2) The State shall have the duty to foster regional economies to ensure the balanced development of all regions.

(3) The State shall protect and foster small and medium enterprises.

(4) In order to protect the interests of farmers and fishermen, the State shall endeavor to stabilize the prices of agricultural and fishery products by maintaining an equilibrium between the demand and supply of such products and improving their marketing and distribution systems.

(5) The State shall foster organizations founded on the spirit of self-help among farmers, fishermen and businessmen engaged in small and medium industry and shall guarantee their independent activities and development.

Article 124

The State shall, as prescribed by law, guarantee the consumer protection movement intended to encourage sound consumption activities and improvement in the quality of products.

Article 125

The State shall foster foreign trade, and may regulate and coordinate it.

Article 126

Private enterprises shall not be nationalized nor transferred to ownership by a local government, nor shall their management be controlled or administered by the State, except in cases as prescribed by law to meet urgent necessities of national defense or the national economy.

Article 127

(1) The State shall strive to develop the national economy by developing science and technology, information and human resources and encouraging innovation.

(2) The State shall establish a system of national standards.

(3) The President may establish advisory organizations necessary to achieve the purpose referred to in Paragraph (1).

Chapter X [subhead]

Amendments to the Constitution [subhead]

Article 128

(1) A proposal to amend the Constitution shall be introduced either by a majority of the total members of the National Assembly or by the President.

(2) Amendments to the Constitution for the extension of the term of office of the President or for a change allowing for the reelection of the President shall not be effective for the President in office at the time of the proposal for such amendments to the Constitution.

Article 129

Proposed amendments to the Constitution shall be put before the public by the President for twenty days or more.

Article 130

(1) The National Assembly shall decide upon the proposed amendments within sixty days of the public announcement, and passage by the National Assembly shall require the concurrent vote of two thirds of the total members of the National Assembly.

(2) The proposed amendments to the Constitution shall be submitted to a national referendum not later than thirty days after passage by the National Assembly and shall be determined by more than one half of all votes cast by more than one half of voters eligible to vote in elections for members of the National Assembly.

(3) When the proposed amendments to the Constitution receive the concurrence prescribed in Paragraph (2), the amendments to the Constitution shall be finalized, and the President shall promulgate it without delay.

Supplementary provisions [subhead]

Article 1

This Constitution shall enter into force as of the Twenty-fifth Day of February, anno Domini Nineteen hundred and eight-eight: except that, the enactment or amendment of laws necessary to implement this Constitution, the elections of the President and the National Assembly under this Constitution and other preparations to implement this Constitution may be carried out prior to the entry into force of this Constitution.

Article 2

(1) The first presidential election under this Constitution shall be held not later than forty days before this Constitution enters into force.

(2) The term of office of the first President under this Constitution shall commence on the date of its enforcement.

Article 3

(1) The first elections of the National Assembly under this Constitution shall be held within sixty days from the promulgation of this Constitution. The term of office of the members of the first National Assembly elected under this Constitution shall commence on the date of the first convening of the National Assembly under this Constitution.

(2) The term of office of the members of the National Assembly incumbent at the time this Constitution is promulgated shall terminate the day prior to the first convening of the National Assembly under Paragraph (1).

Article 4

(1) Public officials and officers of enterprises appointed by the Government, who are in office at the time of the enforcement of this Constitution, shall be considered as having been appointed under this Constitution: except that, public officials whose election procedures or appointing authorities are changed under this Constitution, the Chief Justice of the Supreme Court and the Chairman of the Board of Audit and Inspection shall remain in office until such time as their successors and chosen under this Constitution, and their terms of office shall terminate the day before the installation of their successors.

(2) Judges attached to the Supreme Court who are not the Chief Justice or Justices of the Supreme Court and who are in office at the time of the enforcement of this Constitution shall be considered as having been appointed under this Constitution notwithstanding the proviso of Paragraph (1).

(3) Those provisions of this Constitution which prescribe the terms of office of public officials or which restrict the number of terms that public officials may serve shall take effect upon the dates of the first elections or the first appointments of such public officials under this Constitution.

Article 5

Laws, decrees, ordinances and treaties in force at the time this Constitution enters into force shall remain valid unless they are contrary to this Constitution.

Article 6

Those organizations existing at this time of the enforcement of this Constitution which have been performing the functions falling within the authority of new organizations to be created under this Constitution shall continue to exist and perform such functions until such time as the new organizations are created under this Constitution.

Balloting Witnesses Selected

SK250056 Seoul *THE KOREA HERALD* in English
25 Oct 87 p 2

[Text] The Central Election Management Committee yesterday selected 1,470 witnesses for ballot counting in the national referendum Tuesday. They will be stationed at 245 counting offices across the nation.

The committee also named 54,536 witnesses to be stationed at 13,634 polling stations.

200,000 Greet Kim Yong-sam in Taejon

SK250126 Seoul *THE KOREA TIMES* in English
25 Oct 87 p 2

[By Kim Song-pok]

[Text] Taejon—Reunification Democratic Party president Kim Yong-sam, who was boosted by the "unprecedentedly large" number of spectators in his safe seat of Pusan last weekend, was given another boon in a rally here which drew about 200,000.

His aides boastfully claimed that the participants numbered over 600,000, while police estimated those at 70,000.

The supporters jammed the spacious plaza of the Taejon railroad station and large parts of trunk roads. Some were on rooftops of adjacent buildings.

Stressing that the number is much more than that of participants in a previous rally for his rival opposition leader Kim Tae-chung, the RDP president told reporters, "They showed who should become opposition candidate."

He said in a speech, "It is absurd for Mr. No Tae-u (of the government party) to describe himself as an ordinary person. All know he was a general who staged a coup d'etat."

He accused the ruling Democratic Justice Party of exploiting all official authorities and money to prolong their grip on power, arguing that it spent "as much as" 400 billion won on electioneering during the Chusok holiday.

Referring to Kim Tae-chung, he said, "The RDP advisor will not be able to achieve a genuine democracy as he has many opponents. If he runs for the presidency, he, would eventually invite regional antagonism."

His speech was stopped several times by cheers of the participants who repeatedly chanted "Kim Yong-sam," "President," or "Revolution through elections," waving the national flag, Taegukki, and party flags.

Some of placards read, "The time is demanding Kim Yong-sam's leadership," and "The people wish for Kim Yong-sam."

About 30,000 citizens followed his motorcade from the provincial office to the station plaza during the 1.5-kilometer procession.

Firebombs Thrown at No Tae-u in Taegu
SK242340 Seoul THE KOREA TIMES in English
25 Oct 87 p 2

[By Shin Hak-yim]

[Text] Taegu—Ruling Democratic Justice Party presidential nominee No Tae-u saw the most enthusiastic welcome on his campaign trail when he visited his hometown Taegu city.

About 200,000 citizens jam-packed streets between Panwol-dong Rotary and Taegu gymnasium, where the ruling party held a rally for the inauguration of a local "Youth Service Corps."

Although there were rumors that there will be large-scale student demonstration opposing No's Taegu visit, the ceremony proceeded smoothly with no serious trouble.

Some 5,000 youths including students supporting No surrounded him while a car parade proceeded to Taegu Gymnasium against the possible attack of protesters. Hundreds of plainclothes policemen, were seen here and there to prevent political violence as seen in Iri and Chongju, Chollapukdo.

Citizens greeted No, waving "Taegukki" (national flag) and party colors. Placards read; "No Tae-u, our pride, our choice."

The welcoming mood, however, was somewhat cooled as No's parade was attacked by gasoline bombs and tear gas canisters thrown by students near the Taegu Gymnasium.

One of the four firebombs fell three meters before No's car, but No was not harmed.

At the gymnasium, No was given a rousing welcome and the ceremony for the inauguration of Youth Service Corps started 40 minutes later than originally scheduled.

As No entered the gymnasium, about 10,000 party members stood up and cheered him for three minutes, waving Taegukki and party colors, and his portraits.

Some signs read, "We Want Reform, Not Revolution," "Pioneer of Democracy, Nominee No," "June 29 Declaration Toward Democratic Development."

Campus Activists Resuming Street Violence
SK240159 Seoul THE KOREA TIMES in English
24 Oct 87 p 3

[Text] Campus activists believing in fundamental, radical change rather than gradual political progress have started taking to the streets to disturb political rallies and interfere with the national referendum for Constitutional revision and ensuing presidential elections.

The so-called activist sector, represented by "Min-mintu" and "Chondaehyop," has opposed the series of recent political developments that have ensured the direct presidential elections, their cause being a "new society for the grassroots or masses."

Instead, they have called for the convocation of a "Constitutional Assembly" and the establishment of a revolutionary provincial government as a means to realize what they believe in.

According to political sources, the two student activists' groups have shifted their struggle line from "opposition through participation" to "physical street fighting" to sabotage the scheduled political development.

Some 150 students staged a surprise attack on a police box on the crowded Chongno street, destroying window panels and furniture by throwing stones and fire bombs on Police Day, which fell last Wednesday.

Riding on the deep-rooted sectionalism, students exploded a tear-gas bomb and pelted eggs at No Tae-u, the presidential hopeful of the ruling Democratic Justice Party, when he held a political rally at Songjong, in the vicinity of Kwangju on the same day.

Students also staged rallies or demonstrations at Iri and Chongju, both Chollapuk-do, affecting plans for political rallies scheduled for No.

Students in Seoul have allegedly threatened that they will hold a large-scale street struggle tomorrow, taking part in a "peace march" after a "Korea University rally" being sponsored by the National Coalition for Democratic Constitution [NCDC].

The NCDC plans to invite the two Kims, Kim Yong-sam and Kim Tae-chung, to the political rally slated for the campus of the private university.

A police source said that activities of "Minmintu" on the back burner since the June 29 "democratization declaration," have shown clear signs of a mounting of violent offensives to mark the prevailing election mood.

Since July, they have held straw polls on the four presidential hopefuls, including Kim Chong-pil, in violation of the election law and have propagated their causes through wall posters on school campuses.

Not limiting their sabotage action to the ruling party, they also plan to stage a street demonstration targetting the opposition Reunification Democratic Party as well, seeing that the RDP goes in for gradual reform rather than revolution.

Kim Tae-chung Criticizes No Tae-u, DJP
SK250111 Seoul THE KOREA HERALD in English
25 Oct 87 p 2

[From the "Out and About" Column: "Yellow Flags"]

[Text] Chongju—Opposition leader Kim Tae-chung launched vehement attacks against the ruling DJP in his speech before a rally here yesterday.

However, he refrained from making accusatory remarks against Kim Yong-sam, with whom he is competing for the presidential nomination of the opposition RDP.

Kim alleged that the ruling party's presidential nominee No Tae-u is handing out an enormous amount of money and gifts to voters, hampering the atmosphere of fair elections.

He argued that a government agency behind the publication of a book titled *Tonggyo-dong: 24 Hours* which describes him as a corrupt politician who excels in demagoguery and maneuvers.

Meantime, his followers were exerting efforts from early in the morning to publicize the rally among the Chongju citizens.

According to his campaign aides, 10,000 bills were posted, 800,000 leaflets distributed and 100,000 copies of "newsletter" handed out. They also prepared numerous placards supporting Kim for president.

Kim's supporters in the rally waved yellow flags, the official color of his Tonggyo-dong faction.

Before attending the rally, Kim visited the Chongju penitentiary where he was once jailed. After the rally, he paraded in a specially prepared open truck.

2 Kims Call for Cabinet Change for Elections
SK260347 Seoul YONHAP in English 0308 GMT
26 Oct 87

[Text] Seoul, Oct. 26 (YONHAP)—Opposition leaders Kim Yong-sam and Kim Tae-chung called on the government and the ruling party to inaugurate a neutral cabinet to handle the presidential election slated for late this year.

In a rally held at Korea University in Seoul Sunday, Kim Yong-sam, president of the main opposition Reunification Democratic Party, said that a fair election cannot be guaranteed without a full change in the cabinet.

A fair election cannot be assured unless the cabinet, including Prime Minister Kim Chong-yol who was deeply involved in the March 15 election in 1960, is fully reshaped, Kim told an estimated 50,000 people participating in the rally.

The March 15 election rigging triggered the April 19 student uprising which resulted in the demise of the government of Syngman Rhee, the nation's first president.

Kim accused the government and the ruling Democratic Justice Party of having distributed a huge amount of money to public servants to engage in illegal election campaigning for the ruling party during the recent Chusok holiday season.

Kim Tae-chung, the RDP's permanent adviser who is competing with Kim Yong-sam for the party's presidential nomination, also said that it is difficult to expect a fair presidential election unless the present cabinet led by Prime Minister Kim Chong-yol resigns en masse and a neutral cabinet is formed with figures trusted by the people.

Kim Tae-chung said now is the time that he recommend No Tae-u, the ruling party's presidential candidate, resign from his public posts, noting that No said last June that he would resign his posts if his eight-point democratization proposal, including the revision of the Constitution for direct presidential elections and realization of freedom of the press, is not accepted by the government.

Kim demanded the realization of freedom of the press, release of the people detained for political causes and that those journalists and workers who had been expelled from their jobs since then have their jobs restored.

The two Kims who recently failed to agree on which of them should run in the presidential election said that they will cooperate further.

Kim Tae-chung said that he and Kim Yong-sam will cooperate in order to end the dictatorship and that they will not slander each other.

It was the first time that the two opposition leaders attended a public rally together.

Kim Tae-chung Forswears Chongju Retaliation
SK250100 Seoul THE KOREA TIMES in English
25 Oct 87 p 2

[By Yi Chang-sop]

[Text] Chongju—Kim Tae-chung opened his stumping rally at a riverside beach with the declaration that he is the "real unified presidential candidate of the democratic forces" yesterday.

His fiery eloquence was at its zenith when he explained how much support he receives from the many dissidents who were in the forefront in the struggle for democratization.

The 62-year-old opposition leader visited Chongju Prison where he was detained for two years and an impressive "reunion" with prison officials.

He donated a television set and gave money for the consolation of "political prisoners" who are still there.

Kim and his wife Mrs. Yi Hui-ho were greeted by the warden of the "Correction House."

"I was jailed here for two years but I spent a meaningful life here, reading numerous books, training myself in gardening. It was here that I formulated my three-stage unification policy," he told reporters accompanying him from Seoul.

His visit to the prison was apparently an attempt to portray himself as the guardian of the "oppressed and suffering people," reminding the public that he was one of the class.

In his speech at the rally in the afternoon, Kim stressed his determination against political retaliation. "I will never impose any punishment nor take revenge on any dictator himself," he declared.

After his hour-long speech, Kim and his party moved through the center of the city in a motorcade, many citizens filing the sidewalk and much of the car lanes gave enthusiastic cheers to the opposition leader.

In downtown Chongju, there were many placards inviting people to come to Taejon City and attend a campaign rally by Kim Yong-sam, apparently hung by the Democratic Alpine Club, a supporting organization for the Reunification Democratic Party president.

At some places, a placard for Kim Yong-sam was seen side by side with one announcing the Kim Tae-chung rally at the lot near the Musimchon Stream.

Kim Tae-chung campaigners claimed that they found at least 10 buses carrying old people from Chongju to Taejon.

Kim Chong-pil Formally Names His Party
SK260527 Seoul Domestic Service in Korean
0300 GMT 26 Oct 87

[Text] Kim Chong-pil, chairman of the preparatory committee to form a new party, revealed his decision to name his party the New Democratic Republican Party [NDRP] and to use Republican Party as the abbreviated name. The NDRP moved into a room in the Sinhwa Building, 1 Ga in Sinmun-no, Seoul today and began normal operations.

Meanwhile, the officials of the former Democratic Republican Party, including Kim Chong-pil, paid homage to late President Pak Chong-hui by visiting his tomb at the National Cemetery this morning on the 8th anniversary of his death.

Officials Attempting To Head Off Inflation
SK250121 Seoul THE KOREA HERALD in English
25 Oct 87 p 6

[By Staff reporter Yi Kap-su]

[Text] With a presidential election only two months away, monetary authorities are struggling to forestall an inflationary spiral, which could possibly be sparked by the impending elections.

The forthcoming elections are certain to boost the nation's liquidity and economic experts here attempt to predict the scope of the affect.

Some analyst here predict the election-related funds will amount to over 1 trillion won, including expenses for various domestic development projects to be launched in the election period by the government.

The 1 trillion won represents about 2.5 percent of the nation's total money supply, known as M2, now standing at some 37 trillion won on an outstanding basis.

"However, all of the election-related funds do not affect the liquidity as some portion will be channeled from the existing M2 category—cash on hands or deposits at banks," a senior Bank of Korea (BOK) official said.

M2 comprises bank notes and coins in circulation plus demand and savings deposits in banking institutions.

"Only such funds as new bank loans attracted by individuals or enterprises for political purposes and the government's spendings for new construction works in the election period will directly affect the nation's liquidity," he explained.

"Even though the election-related funds will not fully affect the nation's liquidity, they may cause an inflationary spiral or real estate speculation depending on the markets psychology, and an increased circulation of cash, which often occurs in election seasons," he said.

In February 1973, for instance, when the nation held its ninth parliamentary election, the year growth rate of the M2 was 40.9 percent, more than two times the 20.2 percent recorded in the same month a year earlier.

However, the growth of M2 slowed from 39.7 percent in December 1977 to 35 percent in the same month of 1978 when the nation held the 10th general elections.

And the M2 increase rate was 26.6 percent in March 1981, the 11th general election month, a slight rise from 25.5 percent in the like month of 1980.

In the case of the 12th general election month, February 1985, the money supply growth rate stood at 8.3 percent, off 5.1 percentage points from 13.4 percent in the like month of 1984.

These figures indicate that the influence of elections on the nation's liquidity is gradually fading as corruptive and rigged elections often prevailing in the past are believed to have largely disappeared, economic experts said.

However, it cannot be denied that general elections still exert a considerable effect on the nation's liquidity, they said.

They also pointed out that elections have much to do with the local real estate market.

If the government fails to siphon off the expanded liquidity after holding elections, a great amount of money is used for the speculation of real estate, they said.

In fact, the price of real estate rose up to 50 percent in the election years—1973, 1978, 1981 and 1985.

Moreover, the nation's liquidity now stands at a higher level than originally expected because of increased financial support to local businesses suffering from recent typhoons or labor disputes coupled with an enormous amount of Chusok seasonal funds.

And wholesale and consumer prices during the first nine months of this year rose by 1.8 percent and 4.4 percent, respectively, threatening the government's price stabilization efforts.

Taking these factors into consideration, the government is required to take more active liquidity-absorbing step in the months to come, economic experts say.

The government has been implementing such monetary measures as the expanded issuance of monetary stabilization bonds and treasury bonds, and the eased restrictions of overseas equity investments by local businesses in a bid to dampen inflation.

Brunei, Malaysia & Singapore

Malaysia

Reports on Stock Market Fluctuations

BK260428 Hong Kong AFP in English 0334 GMT
26 Oct 87

[Text] Kuala Lumpur, Oct 26 (AFP)—Share prices fell some 15 percent across the board in the first hour of trading here Monday in anticipation of a plunge on the Hong Kong market and in reaction to a slide in Tokyo.

Malaysia International Shipping Corp. shed 50 cents to 5.45 and Malayan Banking fell 35 cents to 5.85. Brokers said turnover amounted to some 1.2 million shares.

Meanwhile, in Singapore, *The Straits Times* industrial index dropped 33.48 points to 930.09 after an hour's trading.

1988 Federal Budget Tabled in Parliament

BK231257 Kuala Lumpur BERNAMA in English
1235 GMT 23 Oct 87

[Text] Kuala Lumpur Oct 23 (OANA-BERNAMA)—The prime minister Friday described the federal budget for next year as a moderate and prudent one that took into account the acute financial problems facing the country.

The prime minister said it took into consideration the need to step up national productivity and investment.

The necessity to expand job opportunities was also given attention, he said when asked to comment on the budget by reporters at Parliament House. The budget was tabled by Finance Minister Daim Zainuddin Friday evening.

On the possibility of the government adjusting starting salaries downwards for new intake into the public sector as mentioned by Daim, he said "There are many people unemployed at present and they are prepared to accept salaries that are half the present levels."

If the government did not lower the starting salaries, it might not be able to create more employment opportunities, the prime minister added.

Mahathir felt that as salary levels in Malaysia were the second highest in Southeast Asia after Singapore, a small readjustment might not be a bad idea.

Asked how many new employees could be expected to be taken in if the move is implemented, he said "any recruitment will be made in accordance with our needs. If before we took in two people, now we might recruit three."

Asked whether a lowering of starting salaries will involve all employee categories in the public sector, he said yes but added "not so far down (the line)."

On whether this meant the lowest level will be exempted, he said "All this is in the process of being studied and I am not able to give an accurate reply at present."

On why the government intends to dispose of its shares in the Malaysian Airline System (MAS) and Malaysian International Shipping Corporation (MISC) to Bank Negara, he said the reason was "to get the funds needed by the government."

"We have to sell the shares to the body that has the money and at the same time ensure the equity remains in government hands and so we have to sell to Bank Negara," he said.

On the proposal to reduce the company income tax, he said it would be implemented next year.

Deputy Prime Minister Ghafar Baba said the government was aware of the difficulty faced by the people in finding jobs and was therefore studying the possibility of a downward revision of starting salaries in the public sector as disclosed in the budget.

He said this was a government strategy for reducing its expenditure and creating more job opportunities for the people.

On the reimposition of the sales tax on certain construction materials, he said this was to encourage the use of locally-manufactured materials.

Oil Production

BK231202 Kuala Lumpur BERNAMA in English
1112 GMT 23 Oct 87

[Text] Kuala Lumpur, Oct 23 (OANA-BERNAMA)—Petroleum production will be increased to 540,000 barrels per day next year in order to boost the country's economic recovery, Finance Minister Daim Zainuddin said in presenting the budget for next year in parliament Friday.

The increase in petroleum production, coupled with better performance in other sectors of the economy, was expected to contribute to a higher growth of the gross domestic product (GDP) of four percent next year, he said.

As export prices were expected to remain favourable, export earnings were estimated to increase by 9.3 percent and the gross national product (GNP) in current prices was expected to increase by 3.5 percent, he said.

Daim said the rate of inflation was expected to continue to remain low, and added that the general increase in incomes would enable domestic demand to expand and provide a stronger incentive for the private sector to increase production investment.

'Main' Proposals Reported

BK231151 Kuala Lumpur BERNAMA in English
1123 GMT 23 Oct 87

[All quotations marks as received]

[Text] Kuala Lumpur, Oct 23 (OANA-BERNAMA)—Following are the main proposals made in the 1988 budget:

Those affecting the corporate sector:

"Abolition of excess profit tax on companies: the excess profit tax of three percent is to be abolished, effective from the year of assessment 1988.

"Amendment to the reinvestment allowance (RA): to speed up economic development and encourage existing companies to reinvest, the RA, which will expire on Dec 31, 1988, is to be extended to Dec 31, 1990.

"Payment of income tax by installment for companies and businesses: as a measure to reduce income tax arrears and standardise the method of tax collection, an installment system which is now compulsory for employees is to be extended to all companies and businesses.

"Taxation on life insurance companies: a deduction of two percent be allowed to life insurance companies based on the balance of revenue account at the end of the basis period for the year of assessment. The maximum amount of deduction must not exceed the amount of commissions paid.

"Amendment to section 4A of Share (land-based company) Transfer Tax Act 1984:

"Amendments to the Income Tax Act 1967, Petroleum (income tax) Act 1967, and Real Property Gains Tax 1967.

"Restriction of tax free raw materials and components to manufacturers of taxable goods.

Those affecting the people:

Reduction in the number of goods which are exempted from sales tax: As a measure to widen the scope of the tax, it is proposed that the tax be reimposed on certain goods which are not basic necessities for the people in their daily life. The rates are five percent on items like cheese, birds' nests, citrus fruits and fruit juices and 10 percent for items including wigs, yachts and other vessels for pleasure and sports and barbers' chairs.

"Abolition of all duties on various items used by kidney patients: In view of the fact that the cost of treating kidney diseases is high and the government's ability to provide such treatment is limited, on humanitarian grounds it is proposed that all duties on various equipment and materials used by kidney patients be abolished. It is estimated that about 750 people suffer from kidney diseases each year.

Those involving property owners:

"Exemption of real property gains tax on cross transfers among co-proprietors.

Government-Owned Companies

BK231157 Kuala Lumpur BERNAMA in English
1127 GMT 23 Oct 87

[Text] Kuala Lumpur, Oct 23 (OANA-BERNAMA)—The government has so far sold 71 of its companies to the private sector and is evaluating the performance of 60 more financially weak companies Finance Minister Daim Zainuddin disclosed Friday.

Tabling the 1988 budget in parliament, he said it was being determined whether these 60 companies should be closed down, rehabilitated or privatised.

The closure of these companies would help reduce the financial burden of the government in terms of subsidies, loans and other assistance, and the resources saved could be used for other more urgent needs, he said.

The closure could help the able companies improve their profitability, expand operations and thus help them create more employment opportunities.

He said there were 75 statutory bodies and 5 of them received a total of M\$1.5 billion annually in the form of grants from the federal budget to finance their operating costs.

In addition, they also receive about M\$2 billion annually for their development projects.

Daim said the government would like to make these statutory bodies more self-financing so they would not depend so heavily on the federal budget.

They will be encouraged to develop their own sources of revenue such as by introducing fees and other charges to finance their operating costs.

Foreign Debt Servicing

BK231211 Kuala Lumpur BERNAMA in English
1157 GMT 23 Oct 87

[Text] Kuala Lumpur, Oct 23 (OANA-BERNAMA)—The government is striving to reduce its debt servicing costs, which now accounts for about 28 percent of the

operating expenditure, by pre-paying the "more expensive" external loans or refinancing them, Finance Minister Daim Zainuddin said today.

For this year and the next, a total of M\$5 billion in foreign loans would be prepaid, he said when presenting the 1988 budget.

"If this pre-payment exercise is continued into 1990, the savings on debt servicing is estimated to amount to M\$528 million," he said.

The funds saved could be used to finance development projects and thereby increase employment opportunities, he added.

Daim also said the government had taken several measures to strengthen and stabilise the country's financial system.

The thrust of the monetary management would be to maintain adequate liquidity for the expansion of economic activity, he said.

Bank liquidity, he said, had improved significantly and this had paved the way for a decline in interest rates on deposits while the base lending rates of commercial banks had dropped to the lowest in 20 years.

Ruler Withdraws Award for Labor Minister
BK250258 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 23 Oct 87

(Text) His Royal Highness the Sultan of Selangor has announced the withdrawal of the state award which carries the title Datuk conferred on Labor Minister Datuk Lee Kim Sai. He said he was also withdrawing another award, the Setia Mahkota Selangor award [Royal State Award] conferred on Datuk Lee. The withdrawal of the award will take effect 24 hours after 7:00 pm today [1100 GMT] when the announcement was made. The state ruler told a news conference this after a delegation of the Selangor UMNO [United Malays National Organization] Liaison Committee members had an audience with him at the Selangor state palace today.

The state ruler said the state chief minister Datuk Mohamed Haji Haji Mohamed Taib will return the two awards to him on Sunday morning. He said the withdrawal of the awards was to serve as a warning to others not raise racial issues and belittle the sovereignty of rulers.

Reagan Move on Rubber Agreement Welcomed
BK241313 Kuala Lumpur BERNAMA in English 1200 GMT 24 Oct 87

[Text] Kuala Lumpur, Oct. 24 (OANA-BERNAMA)—Malaysia is confident that the move by President Ronald Reagan to ask the U.S. Senate to approve the new international natural rubber agreement (INRA) will be a big boost for natural rubber (NR) producing countries.

Primary Industries Minister Dr Lim Keng Yaik, in welcoming the move, however, hoped that Washington would not delay implementing the decision of the Senate for the good of the natural rubber producing countries.

The sooner the new accord is reached the better for everyone, he told *Bernama* Saturday.

Dr Lim also hoped that all the relevant signatories of the accord, both from among producing and consumer countries, would not delay in reaching the agreement to replace the old one which expired Thursday.

During his June visit to the various NR producing and consumer countries, he had asked the governments concerned to get their necessary legislations operational as soon as possible to facilitate timely ratification of the accord.

He said that apart from Malaysia and the U.S. there were a number of countries which had already shown their willingness to come to an early accord.

The INRA is at present in its interim period while awaiting 75 percent of the NR producing countries and another 75 percent of the natural rubber consuming countries to come to an agreement for a new accord.

President Reagan, in his Oct. 20 message to the U.S. Senate, had asked for an approval of the accord saying that it sought to stabilize natural rubber prices and foster expanded supplies at reasonable prices.

The U.S. President had also given the undertaking that the country's share of the financing under the INRA would be requested for in the budget he would be submitting to the Congress early next year for the fiscal year ending Sept 30, 1989.

The 1987 INRA seeks to continue the buffer stock of not more than 550,000 tonnes established by the 1979 agreement.

It incorporates improvements sought by the U.S. and other consuming countries designed to ensure that the prices reflect market trends and operate in an effective and financially sound manner.

The buffer stock is to be used to defend a price range that is adjusted regularly in accordance with market conditions while its financing is to be shared equally between importing and exporting members to the accord.

Two Thai Trawlers Detained for Fishing
BK250708 Kuala Lumpur International Service
in English 0600 GMT 25 Oct 87

[Text] Two Thai trawlers, each with a 7-member crew, have been detained by the Navy for encroaching into Malaysia's exclusive economic zone [EEZ], in the South China Sea. A Terengganu Fisheries Department spokesman said the trawlers were detained while fishing in an area within the EEZ. He said the trawlers were escorted to the Chendering fishery port near Kuala Terengganu.

BRIEFS

Iranian Ambassador Presents Credentials

TEHRAN, Oct. 24, IRNA—THE new Iranian ambassador to Kuala Lumpur, Mohammad-Reza Morshed-Zadeh [name as received], submitted his credentials to Malaysian head of state Sultan Iskandar in Kuala Lumpur Friday. The Iranian diplomat called for further expansion of Iran-Malaysia relations in economic, political and cultural fields. Sultan Iskandar welcomed expansion of Tehran-Kuala Lumpur ties and expressed hope that during the tenure of the new Iranian ambassador bilateral relations would grow. Sultan Iskandar reflected on common cultural and religious ties between Iranians and Malaysians and said that promotion of mutual trade and economic and scientific cooperation would benefit both countries. Morshed-Zadeh also attended a luncheon given in his honor by Sultan Iskandar attended also by a number of Malaysian Foreign Ministry officials. [Text] *[Tehran IRNA in English 0620 GMT 24 Oct 87 LD]*

Singapore

Stock Market Share Prices Fall Sharply
BK260454 Hong Kong AFP in English 0427 GMT
26 Oct 87

[Text] Singapore, Oct 26 (AFP)—Share prices on the Singapore stock market fell sharply Monday with *The Straits Times* industrial index dropping 51.83, points to 911.74 after two hours trading.

Prices opened higher but fell back as investors saw the early rise as an opportunity to sell.

The index lost 33.48 points in the first hour of trading.

The Nikkei average had shed about 950 points by midday.

Leading losers were brokerages, banks and electronics.

PRC's Gu Mu Ends 8-Day Visit 23 Oct
BK241344 Singapore THE STRAITS TIMES
in English 24 Oct 87 p 15

[Text] China's State Councillor Gu Mu yesterday described his eight-day visit here as a useful trip.

Speaking to reporters at Changi airport before his departure for China, he said the visit helped to promote better understanding between his country and Singapore.

During discussions with businessmen here, he got various views on how his government could do more to improve its economy.

"People here are optimistic about China's programme for economic development," he said. "But they also told us that certain areas could be improved.

"There have been many new developments in Singapore and we have learnt new things."

Mr Gu, who is responsible for developing China's special economic zones and coastal cities, was seen off by Brigadier-General (Reserve) Lee Hsien Loong, the Trade and Industry Minister and Second Defence Minister (Services).

During his stay, he opened an international conference on China's foreign trade and investment opportunities:

He also met First Deputy Prime Minister Goh Chok Tong, Second Deputy Prime Minister Ong Teng Cheong, Finance Minister Richard Hu and Dr Goh Keng Swee, deputy chairman of the Monetary Authority of Singapore and adviser on China's coastal development and tourism.

Agreements To Promote Investments in PRC
BK231154 Singapore THE STRAITS TIMES
in English 23 Oct 87 p 12

[Text] Three agreements which Singapore has signed with the Chinese government will enable multinational corporations that use Singapore as their base for investing in China to enjoy several benefits. This was highlighted yesterday by the Trade and Industry Minister, Brigadier-General (reservist) [BG] Lee Hsien Loong, at the start of a conference on China's foreign trade and investment policies, organised by the Trade Ministry with China's cooperation.

The agreements are:

—The Sino-Singapore Investment Protection Agreement which covers investments by MNCs' [Multinational Corporation's] Singapore-based subsidiaries;

—The Sino-Singapore Avoidance of Double Taxation Agreement which allows profits from these investments to be taxed only once; and

—The Sino-Singapore Trade Agreement which guarantees entry of their goods and services into the Chinese market.

BG Lee's speech centred on the theme that mutual benefit is the key to success in doing business in China. He used Singapore's experience to show what he meant when he said "for businesses in China to succeed, their terms must be mutually beneficial to China as well as foreign parties".

For a start, it is no accident that the high-level gathering of some 300 delegates is in Singapore.

BG Lee said it "reflects the long history of trade relations between China and Singapore" with this economic co-operation in recent years broadening to "include investment, tourism and trade in services".

"In terms of investment commitments, Singapore investors have committed more than US\$270 million in 114 projects in China, which accounts for nearly 2 per cent of foreign investments in China.

"These investments include US\$105 million in hotels and US\$121 million in manufacturing. Exports of Singapore services have also been well received in China.

"For instance, in building construction and infrastructure engineering, Singapore companies are currently working on projects worth more than half a billion Singapore dollars.

"Other services rendered by Singapore companies include hotel management and provision of software technology."

On the traditional trade front, Singapore is a significant entrepot for Chinese products sold in the region as well as for regional products sold to China.

More recently, Singapore has become a showcase for China. Two major and four mini-trade fairs have been held, while four more are scheduled in the next few months.

The rest of the world could also gain from this mutually beneficial relationship by using Singapore as a commercial gateway to China.

"Many multinational corporations realise the contribution Singaporean enterprises and professionals can make to their business with China," he said.

Singapore has:

Seasoned businessmen to be partners for MNCs' China ventures;

Provided engineers and professionals to man their projects and investments there; and

Become an important training centre for MNCs—for their customers and their joint venture partners from China.

Yet, Singapore can offer MNCs which use this city as their base, even more, as the Sino-Singapore agreements show.

"We can smooth the way for the international business community to do business with China and we can also help, albeit in a small way, to further modernise China's economy," BG Lee said.

Through the China conference, Singapore hopes "to bring home to more businessmen the opportunities for investing and trading in China".

Cambodia

PRK, Soviet Officials Address Meeting

*BK240759 Phnom Penh Domestic Service
in Cambodian 0430 GMT 24 Oct 87*

[Summary] "The Kampuchean Committee for Defense of Peace in cooperation with the KUFNCD National Council, the Kampuchean Afro-Asian People's Solidarity Organization Committee, and PRK-USSR Friendship Association organized at the Don Penh Senior High School in Phnom Penh at 0800 this morning a solemn day of peace to mark the 70th anniversary of Russia's Great October Socialist Revolution and join the 24 October 1987 wave of peace. Attending this solemn ceremony were Comrade Yit Kimseng, minister of health and chairman of the Kampuchean Committee for Defense of Peace; Comrade (Akinyasov), counselor of the Soviet Embassy in Cambodia; Comrade Prach Sun, vice chairman of the KPRP Central Committee's Foreign Relations Commission; Comrade Ek Sam-ol, deputy minister of education; Comrade Min Khin, deputy secretary general of the KUFNCD National Council and secretary general of the PRK-USSR Friendship Association."

In his speech, Comrade Yit Kimseng hailed the splendid achievements made by the Soviet people during the past 70 years following the Great Socialist October Revolution; restructuring in the USSR; the Soviet support for the Cambodian people during the past 8 years in their national reconstruction; voiced support for the Soviet peace initiatives made last year and this year, the Warsaw member countries' Berlin statement on nuclear arms, the USSR-U.S. agreement signed in Moscow in April this year, and the agreement on the creation of the centers to reduce nuclear danger signed between Soviet Foreign Minister Shevardnadze and U.S. Secretary of State George Shultz in Washington on 15 September 1987.

After referring to the struggle for peace and national survival waged by three peoples in Indochina, Yit Kimseng said: "This state, the PRK, has made great efforts

aimed at bringing about peace and stability in accordance with the most noble aspiration of the Cambodian people and as a contribution to peace and stability in Southeast Asia. As a matter of fact, we have put forth a policy of national reconciliation and the statements of the Foreign Ministry regarding the political settlement of the Cambodian problem. All of these constitute our correct and most appropriate initiatives for the settlement of internal and international problems."

After rejecting the recent UN resolution on Cambodia, he thanked the Soviet party, government, and people for supporting the Cambodian people.

In his speech [in Russian fading into Cambodian translation], (Akinyasov), counselor to the Soviet Embassy in Cambodia, referred to the birth of the first worker-peasant state in Russia following the October Revolution and the Soviet Union's peace policy. After thanking Cambodia and the two other Indochinese countries for supporting the Soviet peace initiative, he said: "On our part, we fully support the new initiative proposed by the PRK Government and a number of Vietnamese and Lao initiatives aimed at strengthening peace, stability, and cooperation in Southeast Asia and the whole of Asia-Pacific region. The Soviet people actively support the national reconciliation policy of the PRK and we regard this as the continuation of the just struggle of the PRK to resolve the Cambodian problem and (? to do away with) tension in Southeast Asia."

The ceremony ended after a representative of the Kampuchean Committee for Defense of Peace read a resolution voicing support for the Soviet peace initiatives and world people's wave of peace.

Soviet Friendship Delegation Arrives
*BK260711 Phnom Penh Domestic Service
in Cambodian 0430 GMT 26 Oct 87*

[Text] On the morning of 24 October, a delegation of the Soviet-Cambodia Friendship Association led by Comrade Yevgeniy Mikhaylovich Kadatskiy, candidate member of the Communist Party of Ukraine Central Committee and chairman of the State Committee for Vocational and Technical Education of the Ukrainian Soviet Socialist Republic, arrived in the PRK for a friendly and official visit.

Greeting the delegation at Pochentong Airport were Comrade Min Khin, deputy secretary general of the KUFNCD National Council and secretary general of the Cambodia-Soviet Friendship Association, Comrade Khim Pon, deputy interior minister and chairman of the Phnom Penh City Cambodia-Soviet Friendship Association chapter, and several cadres from the KUFNCD National Council office.

Comrade Tursunov, first secretary of the Soviet Embassy to Cambodia and chairman of the Soviet Cultural Center, was also on hand.

Hun Sen Receives Lao Transport Delegation
*BK241146 Phnom Penh SPK in English 1110 GMT
24 Oct 87*

[Text] Phnom Penh October 24—Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee of the People's Republic of Kampuchea received on Thursday [22 October] a delegation of the Lao Ministry of Transport and Posts headed by its minister, Phao Bounnaphon.

Also participating in the reception were Tie Banh, Kampuchean minister of posts, transport and communications, and Pheli Khounlaleuk, Lao ambassador to Kampuchea.

Premier Hun Sen informed his Lao guests of the situation in Kampuchea and the success obtained by the Kampuchean people in all fields, including posts, transport and communications. He said that the visit would further strengthen the cooperation on this matter between the two countries.

For his part, Phao Bounnaphon hailed the development of cooperation between the two countries on various fields in general and on posts, transport and communications in particular and pledged to do his best to contribute to making the cooperation more fruitful.

The government and the people of Laos, he said, unreservedly support the Oct 8 proposal of the People's Republic of Kampuchea on the political solution to the Kampuchean problem.

The delegation left Phnom Penh Friday morning, concluding its week-long visit to Kampuchea. During its stay here it signed with the Kampuchean side a minute on cooperation between the two ministries for 1987 and the cooperation plan for 1988.

Thai Military Action in Week Ending 17 Oct
*BK241251 Phnom Penh SPK in French 1128 GMT
24 Oct 87*

[Text] Phnom Penh, 24 Oct (SPK)—During the week ending 17 October, Thai L-19's, F-5's, and UH-1's carried out 22 reconnaissance flights over the intersection of the Cambodian-Thai-Lao borders, the areas north of Preah Vihear temple (Preah Vihear Province), north of Anlung Veng, west of Ampil (Siem Reap-Oddar Meanchey), O Da (Battambang), and the end of Route 56 (Pursat), from 2 to 10 km inside Cambodian territory.

On the ground, Thai gunners fired several shells on the intersection of the three borders, Chan Kraham, and other regions bordering on Thailand.

During the same period, Cambodia's Armed Forces seconded by the Vietnamese Army volunteers put 289 Khmer reactionaries infiltrating from Thai territory out

of action, including 159 killed on the spot, 79 captured, and 51 others forced to surrender. They also seized a total of 121 assorted weapons and some other war equipment.

Mongolian Paper Lauds Settlement Statement
BK231228 Phnom Penh SPK in English 1106 GMT 23 Oct 87

[Text] Phnom Penh SPK October 23—The Oct. 8, 1987 statement of the People's Republic of Kampuchea is an important document formulating concrete proposals as a lever to promote the settlement of the Kampuchea issue stalemated in the past eight years, said the Mongolian daily *Unen*.

In a commentary on Oct. 17, *Unen* pointed out: "The proposals manifest a principled line and set forth measures aimed at implementing the national reconciliation policy of the People's Revolutionary Party of Kampuchea and the PRK, with a view to building an independent, democratic and nonaligned Kampuchea, resolving conflicts in the region through dialogue and ensuring peace and stability in Southeast Asia".

"If all parties concerned seriously respond to the PRK's important initiative and give it practical support, then there will be the real possibility to eliminate a hotbed of the tension on our planet and create favourable conditions for building peace and stability in Southeast Asia," the paper concluded.

Bou Thang Addresses Meeting on Defense
BK260611 Phnom Penh Domestic Service in Cambodian 0430 GMT 26 Oct 87

[Text] The Committee Conducting the Labor for the Defence of the Kampuchean Fatherland [CCLDKF] opened a solemn meeting on the morning of 24 October at the Basak River Theater Hall to sum up the outcome of the labor carried out in defense of Cambodia for the 3 years period from 1984 to 1987, and to set targets for the 1988-90 period in the presence of Comrade Bou Thang, Political Bureau member of the KPRP Central Committee, vice chairman of the Council of Ministers, and chairman of the CCLDKF. Comrade ministers and cadres of central ministries and offices and representatives of the 21 provincial and city party committees as well as many delegates of the KPRAF and Vietnamese volunteer army attended the meeting.

Addressing the opening session, Comrade Bou Thang expressed warm greetings to the meeting participants. He stressed that the construction of the border defense wall began at a time when our country was experiencing difficulties, our economy was poor, and other capital was scanty, whereas the scope of and need for the work was considerable. Moreover, the K-5 labor was a new, heavy, and protracted duty full of complexities. Nevertheless, it was a correct and clear-sighted principled task of our KPRP.

The comrade went on: Through the 3 years of organization and implementation, we have set up a border defense network which now, fundamentally speaking, has allowed us to create conditions for our armed forces to be firmly positioned and in control of the entire border line, reducing the frequency of enemy infiltrations, forcing our adversaries to successively change their tactics and gradually decrease their activities, and enabling our armed forces to reap successes in their attacks against the enemy both at the border and inside the country.

Hun Sen Meets With Phnom Penh Residents
BK231445 Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Oct 87

[Text] Comrade Hun Sen, Political Bureau member of the KPRP Central Committee and chairman of the PRK's Council of Ministers, held cordial talks at the Phnom Penh City Theater Hall on 21 October with cadres, personnel, workers, monks, and intellectuals residing in Phnom Penh during which he explained the situation at home and abroad to them.

VOK Says Famine Caused by Vietnam Policy
BK260810 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 26 Oct 87

["Political commentary": "The Cambodian People Are Facing Famine"]

[Text] The Cambodian people living under the Heng Samrin regime are working their land throughout the three agricultural seasons. The Phnom Penh regime's radio has boasted that people have the goodwill and high sense of responsibility, and with the assistance of the party and state, have carried out their agricultural and other tasks with brilliant successes in every field.

This is a deceitful propaganda to dupe the Cambodian people's opinion and the world. Quite soon after its boastful propaganda, the Phnom Penh radio shamelessly appealed for aid saying there has been a severe drought in Cambodia and the Cambodian people are facing famine, and asked various international humanitarian organizations urgently for food for the Cambodian people. In fact, the vast majority of poor Cambodian people are facing the most painful tragedy, famine. SPK of the Heng Samrin regime frankly admitted recently that people who are suffering most seriously are in Kompong Speu Province, with about 68,000 people most seriously lacking food. Drought has also affected other provinces in Cambodia; in fact almost everywhere. Cambodian people in some provinces have abandoned their homes and villages almost daily to live in other places where farming can be practised.

Since August, hundreds of families of Cambodians in Banteay Meas District, Kampot Province, and thousands more Cambodians in Takeo and Pursat Provinces,

have left their homes to live in Battambang Province to farm and survive. The majority of poor people in Cambodia are worried because of this serious famine.

We see that this famine results from a number of factors. First, this year's drought; second, failure in the agricultural sector under the Heng Samrin communist regime, which the Cambodian people do not like; and third, the purchase by the Vietnamese-Heng Samrin authorities of goods to be taken to Vietnam through unjust trading. Despite Phnom Penh radio's propaganda, the Cambodian people no longer believe or trust this regime. Because, despite their efforts throughout the three farming seasons, the people still face serious famine. This is because almost all of their paddy has been confiscated through various means by the Vietnamese-Heng Samrin authorities; only a meager amount has been left for people's consumption. This has caused great hardship.

The Vietnamese-Heng Samrin authorities have ordered the paddy bought at the lowest price from the Cambodian people. The paddy gathered by the Vietnamese-Heng Samrin authorities are not stocked to provide relief for the coming year's shortage; instead all of it has been taken to Vietnam. This is the major source of famine in Cambodia and not the one due to insufficient rain causing famine among the Cambodian people as deceitfully said by the Phnom Penh radio.

It is a shame for Vietnam, which has loudly boasted that it is coming to Cambodia to save Cambodians from danger and all kind of suffering. Instead, people are now suffering through famine and many have pathetically died because of Vietnam. The real solution to end the Cambodian people's suffering and hardship is for all Cambodians to take the right path to chase the Vietnamese from Cambodia to relieve Cambodians from all kinds of suffering. This way the Cambodian nation can overcome this danger under the heavy yoke of Vietnam's current occupation.

Khieu Samphan Greets Philippine Minister
(Clandestine) Voice of Democratic Kampuchea
in Cambodian 2330 GMT 23 Oct 87

[12 October "Text of congratulatory message from Democratic Kampuchean Vice President Khieu Samphan to His Excellency Raul Manglapus on his appointment as foreign minister of the Republic of the Philippines"]

[Text] Your Excellency:

On the occasion of your appointment as the foreign minister of the Republic of the Philippines, I am honored and very happy to extend warmest congratulations and best wishes for your happiness and success of your noble mission as head of Philippines' diplomatic affairs.

All along, either alone or jointly with the other ASEAN countries, the Republic of the Philippines has always supported the Cambodian people's just struggle for national liberation and national survival against the Vietnamese acts of aggression and occupation.

The firm support given us by the Philippines, the ASEAN countries, and the world community has caused the Cambodian people's struggle to develop more favorably to the point that sooner or later the SRV will certainly be compelled to negotiate with the CGDK in order to solve the problem of Vietnamese aggression and occupation in Cambodia through political means.

On this auspicious occasion, I would like once again to reiterate the deepest thanks of the CGDK and the Cambodian people to you, and through you, to the government of the Republic of the Philippines.

I am convinced that the historic bond of good friendship and cooperation between our two nations and peoples will strengthen and develop more firmly.

Please accept my highest regards.

[Dated] Democratic Kampuchea 12 October 1987

[Signed] Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs

SRV Boats Attacked in Battambang

BK250146 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT
24 Oct 87

[From the "Daily Report From Various Battlefields" feature]

[Excerpts] East Battambang town battlefield: On 13 October, our National Army, in cooperation with people, village and commune officials, and militiamen, attacked the Vietnamese enemy along Sangke River in Prek Luong commune from O Andet to Prek Ambel villages in Sangke District. We liberated seven villages: O Andet, Bak Amrek, Don Chriep, Don En, Phlov Kat, Prek Ambel, and Ansang Sar. We killed two and wounded three Vietnamese soldiers; destroyed a B-40, an RPK, and some war materiel.

Between 12 and 16 October, the Vietnamese gathered 180 boat-loads of their troops in an attempt to resist us at Anlung Thom and Chak Angkar in Sangke District. They were ambushed and routed by our National Army. We killed 10 and wounded 18 Vietnamese enemy soldiers; destroyed 30 assorted weapons, including 5 B-40's, 3 B-41's, 2 RPK's, 20 AK's, and 15 boats; and seized some war materiel. [Passage omitted]

North Battambang battlefield: On 17 October, the Vietnamese gathered 150 boat-loads of their forces in an attempt to resist us along Stoeng Pheas River. However,

they were ambushed and routed by our National Army. We killed four and wounded five enemy soldiers and destroyed two motorboats, three boats, and some war materiel. [Passage omitted]

BRIEFS

Delegation to GDR

Phnom Penh SPK October 20—A delegation of the National Assembly of the People's Republic of Kampuchea left here this morning for an official friendship visit to the GDR. The delegation, led by Men Chhan, head of its Commission for Economic Affairs and Appropriation and vice chairman of the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, was seen off at Pochentong Airport by Nu Beng and Superior Bonze Tep Vong, both vice-chairmen of the National Assembly, and other officials. GDR Ambassador to Kampuchea Rolf Dach was also present. [Text] *[Phnom Penh SPK in English 1112 GMT 20 Oct 87 BK]*

Delegation to Laos

Phnom Penh SPK October 20—A delegation of the Phnom Penh Party and People's Revolutionary Committee led by Nguon Nhel, candidate member of the People's Revolutionary Party of Kampuchea Central Committee and secretary of the Phnom Penh party committee, left here this morning for an official friendship visit to Laos. The delegation was seen off at Pochentong Airport by Thong Khon, candidate member of the KPRP Central Committee and president of the Phnom Penh People's Committee, and other officials. Pheli Khounlaleuk, Lao ambassador to Kampuchea, was also on hand. [Text] *[Phnom Penh SPK in English 1115 GMT 20 Oct 87 BK]*

SRV Education Delegation

Phnom Penh SPK October 21—A delegation of the Vietnamese Education Ministry led by Minister Pham Minh Hac, who is also candidate member of the Communist Party of Vietnam Central Committee, arrived here Tuesday [20 October] afternoon for a week-long official friendship visit to Kampuchea. The delegation was warmly greeted on its arrival at Pochentong Airport by Pen Navut, candidate member of the People's Revolutionary Party of Kampuchea Central Committee and minister of education; Ek Sam-Ol, vice minister of education; and other officials. Nguyen Anh Kiev, adviser of the Vietnamese Embassy here was also on hand. [Text] *[Phnom Penh SPK in English 1102 GMT 21 Oct 87 BK]*

Delegation's SRV Visit

Phnom Penh, 22 Oct (SPK)—The delegation of the National Assembly of Cambodia, led by Soy Keo, member of the Nationalities Commission, ended Tuesday a

1-week working visit to Vietnam. During their stay, the Cambodian assembly members worked with a delegation from the Culture and Education Commission of the Vietnamese National Assembly. They were received by Le Quang Dao, chairman of Vietnam's National Assembly, and visited Ha Son Binh Province. [Text] *[Phnom Penh SPK in French 0411 GMT 22 Oct 87 BK]*

Buddhist Delegation to SRV

Phnom Penh SPK October 22—A Kampuchean Buddhist delegation left here this morning for Hanoi, Vietnam to attend the Second Congress of the Vietnam Buddhist Church which opens there on October 26. The delegation, led by Superior Bonze Tep Vong, vice chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland, was seen off at Pochentong Airport by Venerable Um Sum, chief of the Phnom Penh Buddhist monks and vice chairman of the Phnom Penh Front Committee, and other officials. [Text] *[Phnom Penh SPK in English 1105 GMT 22 Oct 87 BK]*

Indonesia

Mokhtar on U.S. Bases in Philippines

BK231244 Jakarta Domestic Service in Indonesian
1200 GMT 23 Oct 87

[Text] Foreign Minister Mokhtar Kusumaatmaja said in Jakarta today that Indonesia is prepared in principle to discuss the issue of U.S. military bases in the Philippines even though the matter is really between the Philippines and the United States. When newsmen asked for Indonesia's position on Philippine Foreign Secretary Raul Manglapus' statement, in which he called on ASEAN to share the political burden of the presence of U.S. bases at Clark Airfield and Subic Bay, Mokhtar said that it was impossible to support the idea.

During his weekly press conference in Jakarta today, the Indonesian foreign minister said that ASEAN will not interfere in the issue of the military bases. Mokhtar also pointed out that when ASEAN was founded 20 years ago, it was determined to become neither supranational nor involved in a military pact.

Mokhtar Discusses ASEAN Planning, Travels

BK240834 Jakarta Domestic Service in Indonesian
0700 GMT 24 Oct 87

[Text] The outcome of Foreign Minister Mokhtar Kusumaatmaja's tour of ASEAN member countries, aimed at gathering views from the leaders in this region, will be discussed at the final session of the ASEAN Steering Committee in Bali in the middle of next month. The steering committee's meeting will be held to make preparations for the ASEAN summit, scheduled for December in Manila.

Foreign Minister Mokhtar disclosed this after meeting with President Suharto at Jakarta's Merdeka Palace this afternoon, adding that the ASEAN heads of state had in principle stressed the importance of promoting more economic cooperation among ASEAN countries. Mokhtar noted that Brunei had urged in particular the promotion of cultural relations and youth programs. Therefore, the ASEAN Steering Committee will discuss not only political, but also economic and cultural issues in its meeting in Bali.

Mokhtar also reported to President Suharto on his visit, planned for 31 October, to New York to preside over a consultative meeting of Indonesian ambassadors accredited to the American continent. Mokhtar is also scheduled to visit Japan and France to discuss the Cambodian problem with the two countries' leaders. His talks with French leaders are aimed at removing the impression that there is rivalry between Paris and Jakarta on the Cambodian issue. In this connection, Mokhtar will make it clear that Indonesia has no sense of rivalry with any country but, on the contrary, wants to promote good relations with all countries in solving any problem in the region.

Editorial on UN Resolution on Cambodia
BK241201 Jakarta KOMPAS in Indonesian
17 Oct 87 p 4

[Editorial: "Nine Consecutive Times in 9 Years"]

[Text] The Cambodian problem has remained unsolved for many years, and the United Nations has for the 9th time in 9 years ordered Vietnam to withdraw all of its troops from its neighbor country. The ninth resolution calling for the Vietnamese withdrawal was passed last Thursday [15 October] by the UN General Assembly at its 42d session, which is still underway.

The resolution, passed by 117 votes to 21, not only ordered Vietnam to pull out of Cambodia, but also stressed that a just and lasting solution to the Cambodian issue requires the recognition of Cambodia's independence and the Cambodian people's right of self-determination, as well as the absence of foreign intervention in the country's internal affairs.

Vietnam, however, still cannot accept the resolution supported by the majority of the UN members. The Vietnamese delegation, which attended the UN General Assembly debates on Cambodia for the first time since 1983, issued a strong criticism of the resolution. In 1983, Vietnam began its boycott of the UN debates on Cambodia; the debates have been held since 1979.

The Vietnamese criticism of the resolution reflects its stand on the Cambodian issue. It said among other things that the resolution was "confrontational in nature", and the Vietnamese representative at the UN session, Nguyen Dy Nien, believed that the resolution

would only "complicate matters because the resolution had failed to formulate measures to ensure that the Pol Pot regime would not return to power."

The issue of the extraordinary cruelties committed during the reign of the Pol Pot-led Khmer Rouge remains a stumbling block to the solution of the Cambodian problem. For Vietnam, this issue is closely related to Sino-Vietnamese relations, which are currently strained as armed clashes along their common border continue to occur. The PRC continues to support the Khmer Rouge in its guerrilla warfare against Vietnamese forces in Cambodia. In Vietnam's eyes, the Khmer Rouge is nothing but a "pawn" of the PRC.

Vietnam's hostility towards the Khmer Rouge is automatically adopted by the Heng Samrin government in Phnom Penh. However, Heng Samrin's attitude toward Prince Sihanouk has recently turned conciliatory, even though Sihanouk is officially a Khmer Rouge ally in the CGDK.

In international forums, Sihanouk is indeed more acceptable and has greater credibility. Therefore, if the Phnom Penh government succeeds in persuading Sihanouk to join it and abandon the Khmer Rouge and the Son Sann-led KPNLF, Phnom Penh's position will definitely be stronger.

Even though the Soviet Union and other communist countries oppose the UN resolution, Moscow's stand on the Cambodian issue under Gorbachev is not as tough as Hanoi's. Following his "peace offensive" speech in Vladivostok in July 1986, Mikhail Gorbachev also made efforts to expedite a solution to the Cambodian problem. He wanted to see the establishment of a coalition government consisting of what he called "the Cambodian nationalist forces."

The 9 October edition of *Asiaweek* reported that Moscow's wishes seem to be behind Phnom Penh's shift in stance against the Khmer Rouge. If Phnom Penh had earlier refused to have anything to do with the Khmer Rouge, it announced in August that it was ready to meet with Khmer Rouge leaders, except Pol Pot and his clique.

Therefore, the Heng Samrin regime does not want "Pol Pot and his henchmen". Is it possible that the Khmer Rouge will accept this condition? Are Pol Pot and his allies willing to be excluded? Is the Khmer Rouge leadership willing to sacrifice Pol Pot?

It is now reported that Hanoi is ready to take part in the so-called cocktail party [two preceding words published in English here as well as throughout remainder of item], that was initiated by Indonesia. The cocktail party consists of two stages: the first stage is intended for

various Cambodian political groups; and in the second stage, in addition to the Cambodian groups, Vietnam and other countries involved in the Cambodian conflict will also be present.

The cocktail party does not constitute any form of talks, but simply an opportunity to explore the possibilities of holding talks to solve the Cambodian problem.

Vietnam, however, has not indicated clearly its desire to attend the cocktail party. Will Hanoi and the Phnom Penh regime attend the cocktail party if the Khmer Rouge still retains Pol Pot and his friends?

Perhaps Moscow and Beijing can provide guidance. If Beijing asks Pol Pot and his close friends not to attend the cocktail party and its subsequent meetings, Pol Pot will probably agree. This means the cocktail party can take place.

The PRC, however, will of course demand "compensation", and Moscow can give such compensation if Gorbachev is serious about his "peace offensive" by persuading Vietnam to withdraw all of its forces from Cambodia by 1990.

The withdrawal of Vietnamese forces from Cambodia will not only reduce the Soviet Union's burden, but will also pave the way for a Sino-Soviet reconciliation, which is in line with the spirit of Gorbachev's own speech in Vladivostok.

Are we being too naive in pinning such hopes on Beijing and Moscow?

Laos

Commentary Supports Soviet Stand on Gulf *BK241001 Vientiane Domestic Service in Lao* 0000 GMT 22 Oct 87

[PASASON commentary: "Use of Force Is Not the Correct Way To Settle the Problem in the Persian Gulf"—date not given]

[Text] On 19 October, a number of U.S. warships launched attacks on two Iranian oil drilling platforms in territorial waters of Iran, thus causing losses to Iran. In this regard, U.S. Defense Secretary Weinberger has claimed that the attacks were launched in retaliation for the Iranian shelling of U.S.-flagged Kuwaiti oil tankers last week. Actually, Iran has earlier denied its involvement in the said attack on the tankers. As for Reagan, he has even made a comment on the attacks on the Iranian oil platforms as the legal use of force. In regard to this issue, Iranian President Seyyed 'Ali Khamene'i has said Iran will take retaliatory action.

Through these statements of the two sides, it can be seen that there is a possibility of a revenge and a possibility of an expansion of military confrontation in this region.

The U.S. military action in the Persian Gulf on this occasion took place at a time while the UN Security Council was seeking every possible means to peacefully end the Iran-Iraq war. It also took place at a time while the world people are concerned over the military buildup of the United States and its allies in the region for fear that such an act will cause the contention in the region to become increasingly complicated to the extent that it is uncontrollable.

Nevertheless, the use of force is not a correct way to settle the problem in the Persian gulf or any problem elsewhere in the world. This is because the common trend of the world in the present is to peacefully settle the problem of disputes through talks. Therefore, the best method of settling the present problem in the Persian gulf is to withdraw all foreign warships from the gulf to pave the way for the beginning of the settlement of the disputes through a peaceful means in accordance with the resolution No 598 of the UN Security Council.

The Lao people support the correct attitude and the consistent stand of the Soviet Union on the solution to the problem in this region. The Lao people pledge to together with the peoples in various peace-loving countries throughout the world push for a peaceful settlement of the problem of disputes in the said region.

Ministry Reports on Swedish Group's Visit *BK241524 Vientiane Domestic Service in Lao* 1200 GMT 24 Oct 87

["Foreign Ministry Communique" on the visit to Laos by a Swedish Foreign Ministry delegation; date not given]

[Text] At the invitation of the Foreign Ministry of the Lao People's Democratic Republic, His Excellency Bengt Save-Soderbergh, deputy minister of foreign affairs of Sweden, paid an official friendly visit to the LPDR from 22 to 24 October. During his visit, His Excellency Bengt Save-Soderbergh paid a courtesy call on His Excellency Nouhak Phoumsavan, first vice chairman of Council of Ministers, His Excellency Khamphai Boupha, deputy minister of foreign affairs, and His Excellency Khamphet Phengmuang, vice chairman of State Planning Committee. The Lao leaders highly appraised the support and assistance rendered by the Swedish Government and people to the Lao Government and people in their struggle for national independence in the past and national construction and development at present and expressed their sincere thanks and deep gratitude to the government and people of Sweden for such support and assistance.

The meeting between the Swedish guests and Lao leaders proceeded in an atmosphere of warm and close friendship. The Swedish delegation also met and held talks with a Lao delegation headed by Soulivong Phasitthidet, deputy minister of foreign affairs. Both sides exchanged

views on relations between the two countries and unanimously assessed the success of the assistance and cooperation rendered by the Swedish Government and people to the Lao Government and people which has effectively contributed to the construction of economic foundations and to the living conditions of the Lao people and further fruitfully strengthening and expanding the friendly ties and cooperation between the LPDR and Sweden.

The two sides also discussed the international situation, regional problems, in particular the effort to turn Southeast Asia into a zone of genuine peace, stability, friendship, and cooperation, and other issues of mutual interest. The meeting and talks proceeded in a straightforward and mutually understanding manner.

During its stay in Laos, the Swedish delegation visited projects being implemented through Lao-Swedish cooperation and had the opportunity to witness the fruits and expansion of cooperation between the two countries.

His Excellency Bengt Save-Soderbergh and his delegation returned home today.

Envoys Pay Respects to Dead CC Member

*BK241138 Vientiane KPL in English 0900 GMT
24 Oct 87*

[Text] Vientiane, October 24 (KPL)—Socialist charges d'affaires on October 23 took turns paying their last tribute to Thitmouan Saochanthala, former member of the LPRP CC (third congress) and of the People's Supreme Assembly Standing Committee, who passed away in Vientiane at 0300 on October 21 at the age of 79.

His funeral will take place today at Thatluang Square at 1500.

Phoumi Vongvichit on October Revolution

*BK231141 Vientiane KPL in English 0907 GMT
23 Oct 87*

[Text] Vientiane, October 23 (KPL)—The Central Committee of the Lao Front for National Construction [LFNC] organized here yesterday a lecture in anticipation of the 70th anniversary of the great Russian October Revolution.

In attendance were 200 dignitaries and officials representing the people of all social strata.

Phoumi Vongvichit, Politburo member of the LPRP CC, vice chairman of the Council of Ministers, and president of the LFNC CC, stressed to the gathering the repercussion of the Great October Revolution in the world, including the Lao PDR. "The Soviet good deeds have understandably become a clear mirror for the world nations that a path towards socialism has been opened since 1917," P. Vongvichit underlined, adding that the

complete liberation of the Lao people and their socialist construction under the leadership of the LPRP were owing to the effect of the Great Russian October Revolution.

P. Vongvichit further recapitulated the great achievements scored by the Soviet Union in the past 70 years. He also laid emphasis on the restructuring of the economic and social mechanism by the Soviet Union and appealed to the Lao people to apply the very Soviet experiences in line with the realities in the Lao PDR.

Kaysone Phomvihan Addresses Party Meeting

*BK240501 Vientiane Domestic Service in Lao
0000 GMT 21 Oct 87*

[Text] A meeting to review campaigns in building grass-roots party units in Luang Prabang Province in the first stage was held on 11 October under the chairmanship of Comrade Vongphet Saikou-yachongtoua, member of the party Central Committee and secretary of the party committee and chairman of the administration of the province. The meeting was attended by comrade members of the party and administrative committees at the provincial and district levels along with more than 400 cadres in charge of the building of political foundations of the province.

Comrade Kaysone Phomvihan, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, attended the meeting as guest of honor. At the meeting, comrade members of the Committee for the Guidance of Mobilization Units took the floor to report the situation on the building of the grass-roots party units at the canton and district levels and at various branches of the province. They pointed out the concrete situation which has proved the guidance viewpoints of Comrade General Secretary Kaysone Phomvihan on the two weak points of Luang Prabang Province, namely the weak cadres and the weak movements. In their reports, all of the comrades concluded that the said guidance is completely correct and characterized by comprehensive, scientific, and vital content.

Later, on 13 October, Comrade General Secretary Kaysone Phomvihan addressed the meeting. He expressed his great pleasure with the determination to overcome various difficulties and with the efforts to endeavor to march forward of the provincial party organization and the people of various tribes of Luang Prabang. He said: As of now, the campaigns to build the party units in the first stage have been effectively completed in content, quantity, and methods of working. As a result, the situation in the province has clearly changed in many fields while more new factors have appeared. These have further proved the correct leadership of the party organizations at various levels and the positive and active spirit and efforts of the party members. They have also demonstrated the patriotic tradition and the confidence in the party of the people of various tribes in Luang Prabang Province.

At the same time, Comrade Kaysone Phomvihane praised and hailed the spirit of endeavoring to march forward and the patriotic spirit as well as the unity of the cadres and party members, including those in the leadership at various levels of different branches in the armed forces and the public security forces, workers, and farmers as well as the people of all strata and various tribes throughout the province. He appraised the aforesaid achievements and considered them as a great victory in many respects and of historic significance. Comrade Kaysone Phomvihane said: The party committees at various levels as well as the cadres taking part in the movements have daily come to practically understand the situation. The people have been extensively, thoroughly, and regularly persuaded and motivated to participate in the movements. It can be said that this is the first time in the history of the province that the people have been mobilized to do so. It is true that the movements have just emerged, but it is seen that they have been considerably carried out enthusiastically, extensively, and consistently. In many areas, both in rural areas and in towns, the movements have been carried out in a very profound manner. Through concrete study and training, the contingent of cadres has been consolidated and strengthened quantitatively and qualitatively. The party committees at the grass-roots level throughout the province have successfully completed their congresses. There are now altogether 113 party units at the grass-roots level comprising 2,587 comrade party members, 59 rural party units, 11 party units of various armed forces and public security forces, 43 party units of various offices and organizations, and 45 party units of various enterprises. Party units of various hospitals, and schools, and 21 cantons have successfully held congresses together with the local administrations. Out of them, four cantons in towns and political foundations have been appropriately consolidated and developed in accordance with the expectations as stipulated in the resolution No 51 of the Political Bureau on the turning to the grassroots.

Comrade Kaysone Phomvihane also pointed to the weak points, remaining problems, and lessons learned in mobilizing the people to build the grass-roots party units in this stage. He also gave the guidelines for the consolidation of the work in the second and third stages to be completed in late 1988. The campaigns to build the grass-roots party units on this occasion have been carried out for 10 months. As of now, they have been basically completed.

Editorial Calls For Vigilance Against Enemy

*BK231427 Vientiane Domestic Service in Lao
1200 GMT 20 Oct 87*

[PASASON 20 October editorial: "Uphold Revolutionary Vigilance and Be Quick Against Sabotage and Subversive Schemes of Enemies"]

[Text] Beloved listeners, at present, the world and regional situation continues to become more complicated. This is because the imperialists and reactionary

powers continue to strengthen their alliance opposing the socialist system, the Soviet Union, and world peace while striving to step up an arms race and create disturbances in many places throughout the world.

In our Laos, every day the general situation becomes more tranquil as normal. Nevertheless, imperialists and various reactionaries continue to collude in carrying out schemes of multifaceted sabotage against the revolution in our country. At present, the revolutionary struggle in our country has been changed in all respects; a new battle line has flared; and the relations between our country and the neighboring country with a different political system may develop in a new form. These are considered objective requirements, since they conform with the aspiration of our people as well as of the people in the neighboring country. They also conform with the common trend of relations among countries in the world.

Amid the aforesaid new circumstances, we must accept the fact that enemies of the revolution in our country have not yet abandoned their dark schemes which are aimed at sabotaging and subverting our country's revolutionary cause through all possible means. This is why they have taken advantage of this favorable situation to strive to carry out the general war of sabotage. In particular, they have resorted to using psychological warfare in an ever more subtle manner in dealing with our cadres, combatants, and people. The general war of sabotage of the enemies is in line with their long-term schemes to weaken our country in all fields before proceeding to affecting a change peacefully and then swallowing up our country in the end.

In view of this, the upholding of revolutionary vigilance against the general war of sabotage of the enemies—in particular against their psychological warfare schemes, which are coated with molasses and sugar and which cannot be seen by the naked eye but can gradually be absorbed into the souls and spirit of our people—remains an urgent and long-term task of our entire party, army, and people.

To successfully fulfill this task, we must vigorously turn to the grass roots to help our cadres, soldiers, and people become aware of the general war of sabotage of the enemies; profoundly understand the party's line, plan, and policy on the struggle; adhere to the revolutionary stand; and clearly distinguish friends from foes. Besides, we must not mix strategies with tactics. We must be able to skillfully and delicately make use of tactics, heighten vigilance against ill-intentioned elements, and take the initiative in searching for and timely checking all practices which can bring about losses. Along with this, it is imperative for us to urgently and regularly pay attention to comprehensively consolidating, building, and strengthening our own forces in the political, ideological, organizational, and other fields and raising from the grass-roots level upward in order to genuinely turn the grass roots into the fortification of socialism.

Only by so doing can we maintain enough strength to oppose and defeat the general war of sabotage by the enemies, firmly promote and develop the trend of world peace and friendship among countries; only by so doing can our revolutionary forces be increasingly matured and strengthened so as to defend and increasingly promote and expand the revolutionary gains in our country and worthily contribute to the cause of safeguarding peace and stability in Southeast Asia and the world.

Philippines

Aquino Will Not Tolerate Rebel Fighting

HK240504 Manila Far East Broadcasting Company in English 2300 GMT 23 Oct 87

[Text] President Aquino warned yesterday she will never tolerate any leftist or rightist rebels who are fighting to topple the government. She said that all fronts of the government will be used against them.

President Aquino issued a warning to the communists and other rebels in a speech to soldiers in the hilltop military Camp Tuburan in Mauwat, Davao del Norte. President Aquino visited the camp in the course of her trip to Davao yesterday. She said the country will never have peace and progress unless these enemies of the state are crushed and defeated.

At the same time, the President lauded the military and civilians in Davao for their cooperation in fighting communist rebels. The President also visited the NPA camp captured by the military in Davao and an Alsa Masa vigilante base. President Aquino assured the troops of her continuous support. She vowed to take charge of their needs and see to it that their welfare are taken care of.

Honasan Said 'Major' Threat to Government

HK260749 Manila Far East Broadcasting Company in English 2300 GMT 25 Oct 87

[Text] Renegade Colonel Gregorio Honasan and his men are one of the major threats to the government. A military intelligence report says Colonel Honasan, who is still at large since the August 28 aborted coup, is highly capable of launching another coup attempt. This was reported despite the claim by Defense Secretary Rafael Ilto and Armed Forces Chief of Staff General Fidel Ramos that Honasan is not in a position to stage another coup bid. They both noted that most of Honasan's 2,000 followers have either been captured or have surrendered. The report noted the accounts of continued consultations among Honasan and other rebel elements. It also deplored the sustained media coverage of Honasan and his cause.

Cabauatan Vows More Anti-Government Action

HK240602 Quezon City Sports Radio 738 in English 0500 GMT 24 Oct 87

[Text] Renegade PC Major Reynaldo Cabauatan has vowed to mount more operations to bring down the Aquino government. The statement was read by (Ely Tomatong) during his clandestine news conference in Quezon City.

Cabauatan said the ouster of President Aquino is the only way to the institution of reforms. However, during the same conference, (Tomatong) said that the Nationalist Revolutionary Government of the Philippines, which he and the renegade officers set up, is nonviolent and nonconfrontational. This was contradicted in an earlier statement of (Tomatong) during an interview with this news [as heard] that his group was planning to raise funds to buy arms.

U.S. Said To 'Coddle' Cabauatan

HK261355 Manila PHILIPPINE DAILY INQUIRER in English 26 Oct 87 pp 1, 8

[By Dava Veridiano]

[Text] U.S. military officials, despite repeated denials by the American ambassador here, continue to coddle dismissed PC Maj. Reynaldo Cabauatan, fugitive leader of rebel troops loyal to deposed strongman Ferdinand Marcos, according to an armed forces intelligence report.

The *Inquirer* got hold of a copy of the intelligence report a day after Gen. Fidel V. Ramos, armed forces chief of staff, confirmed that an earlier military investigation indicated that U.S. embassy personnel intervened on behalf of rebel soldiers led by Lt. Col. Gregorio "Gringo" Honasan at the height of the Aug. 28 coup attempt.

According to the latest intelligence report, a mole planted within Cabauatan's group submitted an information report (IR) last Oct. 17 detailing the dismissed PC officer's activities that day.

The mole's IR, which was classified as highly reliable (A-1 in military parlance), said that Cabauatan met with a former Marcos Cabinet official at a posh Makati subdivision accompanied by three uniformed military men. Cabauatan and his companions arrived on board two white cars verified to be owned by U.S. personnel believed to be helping him.

An *Inquirer* source said verification conducted on the plate numbers of the vehicles used by Cabauatan showed that one was a newly-issued plate to the Subic naval base in Zambales while the other was issued to Marcos' former minister who hails from Pampanga.

The IR further said Cabauatan stayed for nearly 30 minutes inside the former minister's house and left at about 12:30 p.m.

Cabauatan, the mole reported, was disguised with a moustache and beard, and was wearing his usual dark glasses.

Cabauatan led rebel troops loyal to Marcos in the Jan. 27 putsch. a manhunt has been launched for the fugitive putch leader, who has also been dropped from the military rolls.

According to the IR, the mole did not call for any assistance when he sighted Cabauatan "for fear of being compromised."

The mole also said Cabauatan has been scouting for men to be paid P100 peso for every training day. the training grounds are somewhere in Nueva Ecija, the mole added.

Early this month, a group of foreign correspondents, including Fred Roxas of the *United Press International*, reported that they were able to interview Cabauatan for two hours inside Clark air base in Pampanga.

The reporters said they were taken in a car to a house in a residential area of the base. But they were driven in a circuitous route and were unable to determine the exact location of the house.

U.S. embassy officials rejected charges that it was supporting Cabauatan but did not categorically deny that the dismissed PC officer was interviewed by newsmen in a house inside Clark.

Yesterday, press reports quoting unnamed senior palace official, said President Aquino has ordered the defense department and the foreign office to investigate the alleged involvement of a U.S. military attache identified as Lt. Col. Victor Raphael.

A military report said Raphael allegedly tried to stop government troops from attacking mutineers inside Camp Aguinaldo during the coup. U.S. Ambassador to the Philippines Nicholas Platt, however, explained that Raphael was only "doing his job" when the attache tried to find out the progress of the coup try.

Ramos Rules Out Amnesty for Rebel Soldiers
HK240512 Manila Far East Broadcasting Company in English 2300 GMT 23 Oct 87

[Text] AFP [Armed Forces of the Philippines] chief General Fidel Ramos today ruled out any grant of amnesty to rebel soldiers. The chief of staff capitalized on the occasion of the council of sergeants and majors at Camp Aguinaldo yesterday to shelve the issue of amnesty for rebels.

Yesterday, Vice President Salvador Laurel voiced the same sentiment on amnesty for rebel soldiers. Ramos said that it is too much. The general said it is easy to ask for amnesty granting it is [word indistinct], even if he or President Aquino are being required to do so.

[Begin Ramos recording] The giving of amnesty means that there is an admission, there is a recognition on the part of the violators. But they did something wrong, they did something illegal, and they did something unconstitutional. [end recording]

Any presidential amnesty, assuming there is one, Ramos added, will be subject to confirmation by Congress. One thing is certain, though, the grant will not come from him.

Yesterday a similar call was aired. This time from attorney (Ely Tomatong), secretary general of the National Provisional Government [NPG], said [words indistinct] declared by renegade officer Reynaldo Cabauatan.

[Begin (Tomatong) recording] We had asked Mrs. Aquino [words indistinct] to grant the soldiers a total, absolute amnesty. [end recording]

If the government has granted amnesty to communist rebels, (Tomatong) wondered why not the military. As representative of Cabauatan, (Tomatong) was at the press conference to formulate an alliance with the Bangsa Moro [Moro Nation] Islamic party under Abbas. The NPG supports the Islamic party's quest for autonomy for 13 Mindanao provinces, but with its Philippine territorial integrity under the Tripoli agreement, no more no less. Thil even as the two groups differ in political orientation and approach.

[Begin (?Abbas) recording] A tactical alliance between our groups is only on the political support of the nationalist revolutionary government on the issue of autonomy, while we also recognize the legitimate aspirations of the nationalist revolutionary government to institute social reforms in this country. Our point is that reform should be instituted, and we perceive all groups, including that of Mr. Honasan and Mr. Cabauatan. The nationalist revolutionary government is significant to [words indistinct]. [end recording]

Laurel Urges Reconciliation

HK261251 Manila MANILA BULLETIN in English 23 Oct 87 pp 1, 18

[By Olaf S. Giron]

[Text] Vice President Salvador H. Laurel urged yesterday a "sincere" policy of national reconciliation that will mix the best in the opposition with the best in the private sector and the coalition in government.

Addressing the Rotary Club of Manila at the Manila Hotel, Laurel said that his own gap with President Aquino due to conflicting views on fundamental issues "started to narrow" after listening to the President's "decisive and courageous" speech before businessmen last Tuesday also at the Manila Hotel.

He said that as a logical consequence of the national reconciliation policy, the President should consider granting amnesty to rebel Col. Gregorio "Gringo" Honasan and his men who mutinied last Aug. 28.

Laurel dismissed as a "brazen lie" reports that he is encouraging the attempted coups so that he can take over as president.

"I am firmly committed to support this new government. I want to see it succeed because I am one of those who worked the longest and the hardest to help bring it to power," he said.

The government must succeed because its failure will result in a military or a communist takeover, Laurel added.

Saying that Aquino's speech indicated she is "now on the right track," Laurel said she is right in rejecting new peace talks with the "violent left" and in declaring all-out war against the communists.

She is also right in announcing that henceforth, law and order must be strictly enforced against all illegal strikes, Laurel said.

"I am, therefore, fully supporting her on all these points. With her recent pronouncements, I am happy to concede that the gap between the President's views and mine on these fundamental issues—which is the reason I resigned—has started to narrow," Laurel said.

He recalled that the policy of national reconciliation was announced right after the Epifanio de los Santos Ave. (EDSA) People's Power Revolution in the February 1986, but it was never really implemented.

"We never really tried it with those identified with the previous regime. I believe we should try it now and exclude only those who persist in overthrowing this government through force and violence—whether from the violent Left or the violent Right," Laurel said.

The former foreign secretary outlined the steps for reconciliation.

First, he said, there must be magnanimity among those who won.

"Power, if it is to last, must be noble and must never taunt or mock the defeated. We will never get the cooperation of a former foe if we continue to treat him as the enemy," Laurel said.

Second, the doors of the new government must be open to all those willing to help it succeed.

This can be done, Laurel said, by bringing into the President's Cabinet the ablest, the most experienced, and the most respected Filipinos available, regardless of party affiliation, as long as they are sincere and they forswear the use of force.

Laurel said U.S. Presidents Abraham Lincoln and Franklin Delano Roosevelt and British Prime Minister Winston Churchill brought into their Cabinets their severest critics to meet the crises then.

His father, wartime President Jose P. Laurel, took in his most bitter political rival, Claro M. Recto, to help cushion the impact of enemy occupation.

"What we should do now is to learn from these lessons of history and open the doors of our government to all those who can help best, regardless of their party labels," Laurel stressed.

"We should mix the best in the opposition with the best in the private sector and with the best of those now in power. I am confident that they will respond and transcend personal and party interests for the greater interest of the nation," he added.

Army Chief Comments on 'Realities' of Coup
HK261341 Manila MANILA BULLETIN in English
26 Oct 87 pp 1, 16

[By Jose de Vera]

[Text] Maj Gen Restituto C. Padilla, Philippine Army commanding general, said yesterday that the "harsh realities" of the failed Aug 28 coup remain as one of the major causes of the country's political and military woes.

In a letter sent yesterday to Army unit commanders, Padilla said the "infamous event was generally seen as a naked power grab attempt which caused unnecessary deaths and miseries to both soldiers and civilians. It amounted to less than nothingness and plunged our country into more political, social, and economic difficulties."

The Army chief said the change for the better, which the mutineers professed to achieve, strengthened the propaganda efforts of the Communist Party of the Philippines against the government, the AFP [Armed Forces of the Philippines] in particular, and at the same time underscored public perception of the military's authoritarian tendencies."

He said the mutineers have engaged in black propaganda to discredit the government and keep the Armed Forces of the Philippines (AFP) off guard.

Padilla cited the recent media blitz undertaken by Col Gregorio "Gringo" Honasan, leader of the rebel troops, through interviews with both local and foreign media, all designed to exploit the unrest and justify his group's actions.

Padilla's letter to all Philippine Army unit commanders urged them "to sweep away the frustrations, doubts, and disappointments of the people by restoring a measure of public confidence in the military by explaining to members of the military, among others, vital issues that must be understood by, and explained to, the men and women in uniform."

Padilla told the Army unit commanders to reemphasize to their officers and men that their solemn oath to uphold the Constitution against all enemies is absolute and allows no mental or moral reservations.

Padilla's letter follows in full:

To: All unit commanders

"We were witnesses to the harsh realities of the aborted coup on August 1987 that today, it remains as one of the major causes of the country's political and military woes.

"Now is the time to sweep away the frustrations, doubts and disappointments of our people by restoring a measure of public confidence in their own Army.

With these, let me touch on the vital issues that confront us today—issues that must be understood by and explained to the men and women serving the Philippine Army.

"First, that infamous event was generally seen as a naked power grab attempt which caused unnecessary deaths and miseries to both soldiers and civilians. It amounted to less than nothingness and plunged our country into more political, social and economic difficulties.

"Second, the change for the better which the mutineers professed to achieve strengthened the propaganda efforts of the CPP/NPA/NDF [Communist Party of the Philippines] against the government, the AFP in particular, and at the same time underscored public perception of the military's authoritarian tendencies.

"Third, the mutineers have engaged in black propaganda to discredit the government and keep the AFP off guard. One proof is the recent media blitzes undertaken by Honasan through interviews with both local and foreign media, all designed to exploit the unrest and justify his group's actions. He has used every trick of the psy-war trade by promising reforms, claiming credit for the pay increases and benefits of soldiers when, in fact, such has been addressed even before his 28 Aug coup attempt.

"We do not deny that some of the mutineers' issues are legitimate. But solutions to these issues are being and must be addressed through legitimate and peaceful means.

"I expect all commanders to explain to all the members of his command these vital issues and re-emphasize to them that our solemn oath to uphold the Constitution against all enemies, whomsoever, is absolute and permits of no mental or moral reservations." Restituto C. Padilla Major General, AFP

Laurel Leaves for U.S., Assures Aquino
HK240915 Manila MANILA BULLETIN in English
24 Oct 87 pp 1, 14

[Text] Vice President Salvador H. Laurel left for the United States yesterday to fulfill speaking engagement before Filipino-American organizations in West and East Coast cities.

Laurel said he was originally scheduled to leave last month but he had to postpone the trip because of the crisis brought about by the Aug. 28 coup try and subsequent dialogues with armed forces personnel.

"If there is anything you would want me to do for you during this brief visit to the United States, please let me know through Executive Secretary Catalino Macaraig," he wrote President Aquino.

Laurel assured the President that it was not his intention to "wash dirty linen" in a foreign country which, he said, he had not done even during the Marcos regime.

"Instead, I intend to deliver honest and positive messages of hope for our 19-month-old government," he added.

Laurel's itinerary includes visits to three key cities: Los Angeles, San Francisco and New York, to address University of the Philippines alumni and Philippine-American organizations such as the Philippine-American Chamber of Commerce.

Reiterating that this is not a political trip, Laurel said: "It must be remembered that as vice president, I am sworn to uphold and defend the new Constitution and committed to support this new government."

He added: "I am not one who will allow this government to be toppled by any illegitimate group. This is why I did not join the opposition when I resigned from the Cabinet," he declared in a departure statement.

"I have every intention to project our government and country in the most positive light during my short visit to the U.S." he stressed.

Navy on Alert Against Soviet Submarines

*HK240150 Manila Far East Broadcasting Company
in English 2300 GMT 23 Oct 87*

[Text] The Philippine Navy has placed on alert all naval stations and patrol units against reported plans by some 10 Soviet submarines to land arms for the communist rebels. The military is also investigating intelligence reports that the Soviet intelligence network has been funneling funds for communist front organizations in the country. Most of these belong to radical labor unions.

These were disclosed by highly placed military sources who requested not to be identified. They said 10 Russian submarines have been sighted prowling the international waters of the Philippines. It was suspected that the Soviet submarines were awaiting the opportune time to land arms and other war materials for the communist New People's Army. At least nine points in Luzon have been tagged as probable landing sites of these weapons. The sources said those areas are in the Bicol region, the Ilocos provinces, Cagayan Valley, Pangasinan, the island provinces of Samar, Quezon and Aurora, Batangas, and Bataan.

The Soviet submarines have reportedly come from the Soviet bases at Cam Ranh Bay in Vietnam on resupply missions.

Communist Chief Reveals 'Indonesian Solution'

*HK261447 Manila Radio Veritas in Tagalog
1230 GMT 26 Oct 87*

[Text] Communist Party of the Philippines leader Rodolfo Salas revealed an alleged plan by some middle-level military officials to execute a so-called Indonesian solution to the insurrection problem. According to a statement issued by Salas from his prison cell, the plan, codenamed Operation Jakarta, will initiate the large scale murder of leftists in the country. It will be recalled that more than 500,000 people were killed in Jakarta when General Suharto's forces aborted a communist takeover in 1965.

However according to Salas, the insurgency situation will only worsen if the military seeks to emulate the Indonesian experience.

Ramos Says Tide Has Turned Against NPA

*HK260743 Manila Far East Broadcasting Company
in English 2300 GMT 25 Oct 87*

[Text] Armed Forces of the Philippines [AFP] Chief of Staff General Fidel Ramos said yesterday [25 October] the military has now taken the upper hand in the campaign against the communist New People's Army [NPA]. He noted that civilian and military casualties in fighting have been minimized in comparison with the losses inflicted on the communist rebels. Gen Ramos made these comments in assessing the capability of the Armed Forces during the turnover to the Armed Forces

of 10 V-150 light tanks at the AFP Logistics Command at Camp Aguinaldo. He noted that the tide has turned against the NPA. The chief of staff said military casualties, which include policemen and Civilian Home Defense Force members, have dropped in comparison with the losses inflicted on the NPA. He added that the combat capability of the troops has greatly increased this year.

NPA Using Forced Recruitment

*HK260923 Baguio City Mountain Province
Broadcasting Company in English 0330 GMT
26 Oct 87*

[Text] The communist New People's Army is reportedly resorting to forced recruitment to compensate its heavy personnel losses during encounters with government forces and widespread defection. Investigators of the Army's 50th Infantry Battalion bared this new recruitment technique of the NPA after a daring escape by a certain Alexander Vital of Barangay Margaal, Vintar, Ilocos Norte from the communist military arm. Vidal and his brother, Apolinario, were abducted last September 22 by five armed rebels.

Aquino Discusses Vigilantes, NDF Peace Talks

*HK260903 Manila Far East Broadcasting Company
in English 2300 GMT 25 Oct 87*

[Passages within quotes in Tagalog]

[Text] In the program "Magtanong sa Pangulo" [Ask the President], aired over the government radio station, one of the issues discussed by President Aquino was the present condition of the Civilian Home Defense Forces, as well as the vigilante groups and what the government is doing. She had this to say:

[Begin Aquino recording] The Department of National Defense is now gradually [words indistinct] now assimilating some of the CHDF into the regular forces. This may take some time "because, as you know, there are some places which welcome the CHDF, but there are also places that do not want to have the CHDF. Therefore this has to be carefully studied by the Department of National Defense so that they can do away with abuses and retain the good points for the military's program for dealing with the peace-and-order problem. Now regarding these vigilantes, these volunteer groups, it is a good thing you brought up this question. Yesterday I came from Davao, where they have the Alsa Masa [People's Uprising]. These vigilante groups have sprung up because the citizens themselves have decided that they need to unite to fight the communist rebels. This is especially true in Bicol, which has a large communist rebel problem because bridges have been blown up and people have been killed—both military and civilians. The main thing we need to do is to recognize these vigilante groups." First of all, it has to be voluntary. Nobody should be forced into joining the vigilante groups. And secondly, they should not be armed and

they should always be under the direct supervision of the Armed Forces or the police. "We cannot allow just anyone to set up or organize these vigilante groups without an official" who will be directly in control or responsible for the acts of the vigilantes. [end recording]

With regard to the government's peace talks with the National Democratic Front [NDF], the president had this to say:

[Begin Aquino recording] The purpose of the Peace Commission is not only with regard to the peace-and-order problem but also with regard to the development of the different regions where we have problems with rebels and with other insurgents. "As you know," we have had peace talks with the NDF before and this has resulted, during the cease-fire, in many of the rebels returning to our fold and also taking part in the national reconciliation and development program. "So this Peace Commission just needs to follow up all these things, and also the matter of granting amnesty to them and helping them to find a means of livelihood so that we can help them and give them a chance to live in peace." So the Peace Commission will be concerned not only with bringing peace and order but also with the matter of developing the different areas where we have had problems with insurgents before. [end recording]

KBL to Organize Vigilantes

HK261355 Manila PHILIPPINE DAILY INQUIRER
in English 26 Oct 87 p 1

[Text] Politicians loyal to deposed strongman Ferdinand Marcos yesterday said they are forming their own vigilante groups "and arming ourselves for the fight against communist insurgency" in the wake of President Aquino's endorsement of Davao's Alsa Masa.

Former Speaker Nicanor Yniguez, president of the Union for Peace and Progress [UPP]-Kilusang Bagong Lipunan, said in a press statement that he is starting a Southern Leyte Movement for Justice and Democracy among his followers.

The statement said former assemblyman Antonio Tupaz of Agusan and former Lanao del Sur Gov. Ali Dimaporo "would organize their Alsa Masa-type groups... together with all the leaders and supporters of the UPP-KBL."

"After all, if 180 members of the House of Representatives are arming themselves to fight the military rebels, the opposition has the nobler objective of fighting the communists," the statement quoted Dimaporo as saying.

Ms. Aquino, during her trip to Davao Friday, said she will not order the disbandment of vigilante groups "if that is what the people want" and "as long as they do not commit abuses."

Her endorsement of Alsa Masa, which some quarters allege to be an armed group despite government denials, has drawn criticisms from militant labor, human rights and cause-oriented groups.

The UPP-KBL statement also criticized the practice of disarming honor guards and soldiers who are to meet the President, as was observed when Ms. Aquino visited a Scout Ranger camp in Davao City.

But observers noted that the disarming of soldiers who are to meet the President was also practiced during the time of Marcos.

"This practice cannot but be insulting to the military and should be stopped immediately," the statement said. "You do not pay loyalty with mistrust."

Aquino Reiterates Government Reorganization HK261315 Manila MANILA BULLETIN in English 26 Oct 87 pp 1, 20

[By Deedee M. Siytangco]

[Text] President Aquino reiterated her directive to "re-energize" the "bloated bureaucracy" and make it an efficient service-oriented service.

Palace sources said yesterday that when the reorganization program prepared by Budget Secretary Guillermo Carague is finished, a projected 85,000 workers would have opted for voluntary retirement.

The bill that Malacanang will send to Congress will make optional retirement very attractive to government workers.

Under the present retirement program, workers receive only one-month pay for every year of service. This has been limited to only 12 months by virtue of a recent executive order.

The new retirement scheme will give public servants one and one-fourth months pay for every year of service and there is no limit to the number of years a worker has served.

"It's the only way to trim the government service," Cabinet Secretary Jose de Jesus said. He said he expects many workers to take advantage of the scheme which was patterned after the Philippine National Bank (PNB)

Under the reorganization plan, the Office of the General Services will be abolished and some of its functions and staff absorbed by other departments. This will take effect on Dec. 21, 1987.

The reorganization will also make way for younger, service-oriented personnel and will eventually cost the Aquino government less money than keeping on over-staffed bureaucracy.

Since there is a 45-day ban on the hiring or firing of government workers before an election, the program on retirement will begin on Jan. 19, a day after the local elections.

Part of the program to "re-energize" the bureaucracy under President Aquino's initiative is the full and quick implementation of the Committee on Public Ethics and Accountability program led by De Jesus and involves all Cabinet members. At the start of the committee's work, the President gave them a quota of "one big fish" at least by Dec. 31.

"The public will not believe us if we do not prosecute a big grafter," she told the committee. "We have to show them we are serious in going after the big-time grafters in government."

The President also told them to spare no one, friends or relatives, not even members of her Cabinet.

At the last weekly meeting of De Jesus with National Bureau of Investigation (NBI) Director Jose Antonio Carpio and Tanodbayan [Ombudsman] Justice Raul Gonzalez, there were 20 cases discussed. Evidence against the government officials, who included a few on the bureau director level and some higher ranking officials, were "sifted."

Due to the big backlog of cases in both the NBI and the Tanodbayan, prosecution has been slow, but De Jesus said, it will be speeded up.

The preventive aspects of the program approved by the President and the Cabinet are in place, De Jesus said.

This includes measures to trim down red tape, make transactions "more transparent" and identify areas and services in the different departments which are graft prone.

List of Communist Officials To Remain Secret
HK240929 Quezon City MALAYA in English
24 Oct 87 pp 1, 7

[By Chit Estella]

[Text] Saying justice and human rights can never be sacrificed in the name of national defense and security, 18 senators decided yesterday not to reveal the names of alleged left-leaning officials in the government contained in a document of the National Intelligence Coordinating Agency [NICA].

The Senators, instead, agreed to return the NICA document to Vice President Salvador H. Laurel "for whatever use he may have of them in accordance with existing laws."

The decisions were made by the committees on justice and on national defense which submitted its report to the Senate Sen Wigberto Tanada, chairman of the justice committee, read the report.

Only Sen Juan Ponce Enrile voted to have the list made public, saying the people have the right to know and judge for themselves the contents of the list regardless of the veracity of the information.

Sen Ernesto Maceda, newly designated chairman of the Senate defense committee, abstained; Two senators—Sotero H. Laurel and John Osmena—are out of the country.

The two committees said they would file a resolution asking President Aquino to direct the NICA to review its policies, functions, missions, procedures and work programs.

They also agreed to ask President Aquino to form a National Advisory Council on Information and Communication in disseminating "truthful and accurate information," including those gathered by the NICA.

In the report, the committees described Laurel's allegation about the presence of communists in the Aquino government as "misleading and incomplete as it was inaccurate and misinforming."

They recalled that at the start of the investigation, Laurel immediately informed the senators he was not going to substantiate any claim because, he said, he did not make any.

The senators also noted that the words "communist," "Marxist," procommunists, "leftist" and "left-leaning" were indiscriminately used to describe the political beliefs of individuals found in the NICA list.

In refusing to disclose the list, the senators said they "will not place in jeopardy and in danger the lives and limbs, reputations and careers of these persons."

In pressing for a review of NICA's policies and functions, the Senate committees said "the professionalism, competence, even patriotism and national consciousness of those entrusted with the gathering and evaluation of the security intelligence information need to be reviewed" in the light of the constitutional provisions in the Bill of Rights.

In defending democracy, officials should not simply defend its structures but also "its soul and substance which are justice and human rights," they said.

"The goal of national security is no less than the promotion and preservation of justice and human rights. For as long as there is justice and human rights, democracy is worth defending," the senators said.

'Tough-Talking' Aquino Inspires Businessmen
*OW250515 Tokyo KYODO in English 0727 GMT
23 Oct 87*

[Text] Manila, Oct. 23 KYODO—Foreign and local businessmen expressed confidence about better business conditions and more investments in the Philippines Friday after a tough-talking President Corazon Aquino warned opponents earlier this week against plotting to overthrow her and ordered a crackdown on illegal strikes.

Japanese ambassador to the Philippines Kiyoshi Sumiya also aired the same optimism and praised Aquino's efforts to establish political stability for her 20-month-old administration.

Addressing foreign business executives based here, Sumiya said Japanese investors "do not like abrupt changes of government especially accompanied by gunshots."

"The investors do not appreciate continuous labor strikes. They are also concerned about the prospects for their loans and capital failing to be reimbursed," Sumiya said.

Raul Concepcion, president of Concepcion Industries, one of the largest Filipino-owned firms, said at a breakfast forum the businessmen were "euphoric" at Aquino's speech Tuesday.

He said the embattled president has won the businessmen's confidence "equal to the level" of their support for her when she fought President Ferdinand Marcos in a February 1986 election.

In her speech to Filipino and foreign business executives Tuesday, Aquino declared her "honeymoon" with them was over and rallied her countrymen to support her administration to rebuild the country devastated by 20 years of rule by Marcos, who was overthrown in a popular revolt shortly after the February election.

Aquino also warned right-wing opponents, including rebellious troops and some still loyal to Marcos, as well as communist insurgents that she will not allow them to topple her.

She ruled out new peace talks with insurgents, ordered police to tear down illegal blockades at factory gates around the country and said she will not let left-wing unions use labor rights to achieve "a communist victory."

Business confidence had been waning recently due to political instability generated by the 18-year communist insurgency, labor unrest marked by widespread strikes and right-wing coup plots.

The government crushed the August 28 coup attempt led by fugitive army colonel Gregorio "Gringo" Honasan, in which at least 53 people were killed and hundreds more injured.

Concepcion said some business leaders are waiting to "see if she can deliver the goods" but added the private sector should do its share "to make sure that what she said turns out to be a reality."

He said more firms will be expanding their operations and modernizing their plants in the wake of the failed coup and foreign investors will follow the lead of local businessmen who have taken a "very aggressive posture."

J. Marsh Thompson, executive vice president of the American Chamber of Commerce in the Philippines, said, "we're on an upward climb without any doubt," adding the "emphasis for us is to get people here."

Jose Luis Yulo, an official of the Philippine Chamber of Commerce and Industry, said government policies affecting business have become clearer and the "impact" of businessmen was "very positive."

Thompson said businessmen are not "naive (that) speech alone doesn't make all the difference" but it gave a "new track, (and) we have principles and clarity established."

"We know now that there is a strong intention to create the right kind of atmosphere, to emphasize the right of things and to make this the kind of place that business can feel confident that they can succeed," Thompson said.

Japanese embassy minister Morihisa Aoki said Japanese investors had been "slowly slipping in" after the release of kidnapped Mitsui executive Nobuyuki Wakaoji "when Honasan blew it off," referring to the foiled coup.

He said bomb explosions in Manila, including one which damaged the Japanese-managed Manila Garden Hotel two weeks ago, "are not encouraging to anybody." He said prospective investors were "really concerned."

"We are still looking forward to an influx of Japanese investments in the near future, provided the country achieves political stability, and more importantly, if the labor situation is stabilized," he said.

Economic Upswing Predicted

*HK241001 Manila MANILA BULLETIN in English
24 Oct 87 pp 1, 15*

[Text] Local and foreign business leaders predicted yesterday an upswing in the economy as a consequence of the confidence inspired by President Aquino's "tough talk" last Tuesday.

There is no question, they said, that the mood has immensely improved to prod domestic, foreign, and labor sectors to buckle down to work to assist in bringing the President's vision to reality.

These views were expressed by Tourism Secretary Jose Antonio Gonzales; Raul Concepcion, chairman of the Buy Filipino Movement; Jose Luis Yulo, vice president of the Philippine Chamber of Commerce; J. Marsh Thompson, executive vice president of the American Chamber of Commerce; and Ambassador Rodolfo Severino, head of the Asia Pacific Affairs of the Department of foreign Affairs.

They discussed foreign and business perspectives at yesterday's "Talakayan sa Makati" [Makati Forum] forum at the Manila Garden Hotel.

Gonzales took time out to apologize for the furore caused by his failure to respond to a subpoena of the House of Representatives compelling him to explain the alleged extravagance of the tourism department amid the economic difficulties of the nation.

He said he had informed Rep Hermogenes Concepcion (Ind., Nueva Ecija), chairman of the committee on crime, fraud, and corruption, that an important meeting with an international sector in tourism kept him from appearing before the committee.

Moreover, he said, no clearance was given by President Aquino authorizing him to appear before the public hearing.

Severino told the Talakayan crowd the President's speech has kindled new confidence among ASEAN leaders, ruling out any notion that the coming ASEAN Summit will be cancelled, postponed, or held elsewhere.

Thompson said the President's speech was well-timed to demolish doubts among foreign governments and the business community that she is firmly in command of the country.

Consequently, the American business leader said a mission is being rushed to bring in more foreign investors to come and assess the situation themselves.

He said there is no doubt that foreign bankers and financiers have renewed their interest in bringing in new capital and technology to the country.

Yulo said the President, in her speech before businessmen, clearly established the rules of the game for management to share its profits with labor even as workers must adhere rigidly to existing regulations.

Gonzales, Yulo, Thompson, and Severino took turns stressing the need for foreign and local media to adopt a positive attitude in reporting on the peace and order and economic conditions in the country.

"If our own media can begin to align itself along this tone of positivism, without shirking constructive criticism, then the nation will have taken a big step to ward progress," said Gonzales.

Thompson said missions of the American Chamber of Commerce have succeeded in generating support for the Aquino administration, citing the pressure of the counter-lobby that defeated a move in the U.S. Congress to label Philippine coconut export as hazardous to health.

Thailand

Pakistan's Ziaul Haq Concludes Visit

Agrees on Mutual Support

*BK240109 Bangkok BANGKOK POST in English
24 Oct 87 p 3*

[Text] Thailand and Pakistan have agreed to support each other in all international forums in the search for solutions to the Kampuchean and Afghanistan problems.

Foreign Ministry spokesman Sarot Chawanawirat said the agreement was reached in talks yesterday between Foreign Minister Sitthi Sawetsila and Pakistan Deputy Foreign Minister Zain Noorani.

The ministers agreed that while the root causes of the Afghanistan and Kampuchean problems differed, the factors that would contribute to solutions were identical.

Government spokesman Michai Wirawaithaya said Prime Minister Prem Tinsulanon urged Pakistan President Mohammad Ziaul Haq to buy more Thai garments and consumer products because Thailand had purchased a large quantity of Pakistani cotton every year.

President Zia and General Prem held private talks for about an hour.

Thailand last year imported goods, mainly cotton and medical equipment, worth 1,058 million baht from Pakistan, which bought 869 million baht worth of goods including mungbean and refrigerators from Thailand.

Thailand's trade deficit with Pakistan for the first six months of this year was 773 million baht.

Mr Michai said the two leaders concurred that a joint commission be set up to promote mutual trade and explore avenues for joint ventures in the sugarcane, steel, motor and farm tool industries.

Meanwhile, the Satchatham Student Party of Ramkhamhaeng University said yesterday it would hold a Hyde Park-style rally at the campus today to protest what it called President Zia's dictatorial rule.

Posters denouncing the visit of President Zia and welcoming the Dalai Lama of Tibet were pasted up in front of the university.

President Zia visited the Grand Palace and went to the Foundation of Islamic Centre of Thailand for prayers with Thai Muslims.

He will address the Foreign Correspondents Club of Thailand today before leaving for Pakistan this evening.

After the talks, President Zia said he hoped his visit would "strengthen relations between Thai and Pakistani people."

During a reception hosted in his honour by Pakistani Ambassador Begum Hafsah Hamid Aliani, he said: "I consider Thailand my own home and Thai people my good friends."

General Zia said after an audience with His Majesty the King and talks with Prime Minister Prem: "My visit to Thailand has been most enjoyable and fruitful but it was so short that I will have to come back again."

Asked whether the local Pakistani community had conveyed any specific message to him, Gen Zia said they were glad and happy to be in Thailand.

Pakistan-Thailand Friendship Association president Abdur Rashid Sheikh also said the visit has been very successful. "It has moved us closer," he said.

"Through the efforts of the association, we have been able to reach a certain level of friendship through cultural and educational exchanges," he said.

Pakistani Embassy First Secretary I.H. Kazmi said he expected several economic joint ventures to be established between the two countries.

Speaks at 21 Oct Reception

*BK231041 Bangkok Domestic Service in Thai
1300 GMT 21 Oct 87*

[Report on a reception for Pakistani President Mohammad Ziaul Haq hosted by the Thai Government at Government House in Bangkok on 21 October at 1130 GMT—recorded]

[Text] The Pakistani president arrived at Government House and received salutes by guards of honor. Bands played the Pakistani and Thai national anthems. Prime Minister General Prem Tinsulanon then accompanied the guest to the Santi Maitri Building and introduced him to the members of the royal family, the parliament president, the House speaker, the president of the Supreme Court, the members of the cabinet, the diplomatic and consulate corps, senior military officials, the Bangkok governor, senior civilian and police officials,

political officials, officials of the Prime Minister's Secretariat, and officials in charge of the welcoming ceremony for the Pakistani president. There were also rows of Pakistani residents in Thailand, officials of the Pakistani Embassy, and members of the party accompanying the Pakistani president. The Pakistani president signed the guest book. Prime Minister Prem then proposed a toast:

[Begin Prem recording in English] Mr President, I would like once again to express our happy cheers, and extend to you our warmest welcome on behalf of the people of Thailand and on my own behalf, and I would like to invite all of the distinguished guests gathering here tonight to drink a toast to His Excellency General Ziaul Haq, the president of the Islamic Republic of Pakistan, and his wife, for long life, health, and the close friendship between our two countries. [Pakistani national anthem played] [End recording]

General Mohammad Ziaul Haq, president of Pakistan, proposed a toast to their majesties the king and queen:

[Begin Ziaul Haq recording in English] I would like to thank [words indistinct] to provide me the comfort that my host, his majesty, and my friend, Prime Minister Prem, provided in Bangkok. I would like to thank you, sir. All I can say on my own behalf, and on behalf of my delegation and my wife, who is not here unfortunately, for all your kindnesses, the hospitalities that has been given to us by his majesty, yourself, your colleagues, and moreso the people of Bangkok, and also people of other places that we went today—I thank you sir, and all I will say is that I am also very grateful to you for the honor that you have done me and my delegation, and cannot think [as heard] such a fine, such an impressive reception to honor me and members of my delegation. I thank you, sir, and I request ladies and gentlemen to join me for a toast for the health, happiness, long life of their majesties; for the health and happiness of our very dear friend, the honorable Prime Minister Prem; and for the health and happiness of all those who are present here, and for very good relationship that is established, that we have strengthened, and that will continue to be strengthened by active support of his majesty's government, and the effort of the honorable prime minister of the Royal Government of Thailand. [Thai royal anthem played] [End recording]

After the toast proposed by Pakistani President Ziaul Haq to the king and queen, the Thai royal anthem was played. Prime Minister Gen Prem Tinsulanon presented a gift to His Excellency Gen Mohammad Ziaul Haq, the Pakistani president. The gathering of the distinguished guests then entertained themselves with conversation and drinks while the Fine Arts Department's band played music. The atmosphere at the party today was marked with warm friendship between the delegations of the two countries.

Addresses Foreign Correspondents

BK250331 Bangkok *THE NATION* in English
25 Oct 87 p 3

[Text] Pakistani President Mohammad Ziaul Haq yesterday urged the Soviet Union to exert its influence on Vietnam to bring about the withdrawal of Vietnamese troops from Kampuchea.

He said the Vietnamese occupation of Kampuchea, like the Soviet presence in Afghanistan, has caused "untold human sorrow and suffering and evoked profound disquiet through the world."

"Military intervention in both these countries needs to be terminated expeditiously," he said in his speech at the Foreign Correspondents Club of Thailand in Dusit Thani Hotel.

Pakistan has been providing shelter to more than three million Afghan refugees fleeing the Soviet occupation while Thailand houses 116,000 Indochinese refugees and another 268,000 Khmer displaced persons, fallout from the Indochina conflict.

In reply to a question, Zia blamed the Soviet Union for a spate of bomb attacks on Pakistani cities this year. He called the attacks part of a Soviet "policy of arm-twisting" designed to get Pakistan to make concessions on the Afghan issue.

He said peace talks in Geneva aimed at ending the conflict had made "excellent progress" on all issues except the timeframe for a Soviet withdrawal.

But he said the Soviets were worried about what will happen in Afghanistan when they leave the country. Zia said he has tried to assure the Soviets that they will not be left with a hostile southern neighbor when they pull out of Afghanistan.

He said he foresaw greater trade exchange and economic cooperation and cooperation in other areas between Thailand and Pakistan since the two countries shared the same perspective on many regional and international issues.

Bangkok and Islamabad agreed to set up a joint commission to broaden cooperation in trade, sports and culture in a meeting of senior Thai and Pakistani officials at Government House on Friday.

The Pakistani president said in his speech his country stands for non-proliferation of nuclear weapons.

"Our modest nuclear research and development programme is entirely, and exclusively, directed toward peaceful purposes," he said.

"Let me categorically reaffirm that Pakistan is firmly opposed to the production, or acquisition, of nuclear weapons," he said.

The United States, the major aid donor of Pakistan, suspended aid to Islamabad since the beginning of this month because of continuing suspicions in the US Congress and the State Department that Pakistan is close to exploding a nuclear device.

But Zia yesterday said the US aid cutoff would not affect the bilateral relations between the two countries since they share common strategic interests.

He said US and Pakistani interests currently "converge" and ties will continue to develop as long as this is the case.

The relationship, he said, "is not dependent upon whether Pakistan gets aid or does not get aid."

Pakistan was scheduled to receive U.S.\$670 million in economic and military aid during the 1988 fiscal year, which began Oct 1. But the aid is being held up for at least six weeks until an agreement on the nuclear issue can be reached.

Zia completed his four-day state visit yesterday. He was seen off at Don Muang Military Airport by His Majesty the King and HRH Princess Maha Chakri Sirinthon.

Leaves 24 Oct Following Visit

BK241452 Bangkok Army Television Channel 5 in Thai
1300 GMT 24 Oct 87

[Text] Today was the fourth and last day of Pakistani President General Mohammad Ziaul Haq's official visit to Thailand as guest of their majesties the king and queen. At 1500 today the Pakistani president left Barom Phiman Throne Hall for the Bangkok Metropolitan Administration's pavilion at Phanfa Lilat Bridge where he was welcomed by Bangkok Governor Major General Chamlong Simuang, his wife, and senior officials of the Bangkok Metropolitan Administration. The Bangkok governor presented a gift to the Pakistani president.

At 1515, at Chitlada Palace, the king, accompanied by Princess Mahachakkri Sirinthon, Princess Chulaphon, and her royal consort Squadron Leader Wirayut Dityasarin, granted an audience to Pakistani President General Mohammad Ziaul Haq who bade farewell to his majesty.

The king and Princess Sirinthon later accompanied Pakistani President General Ziaul Haq from Chitlada Palace to the Air Force Headquarters' airport. At the airport, Prime Minister General Prem Tinsulanon, cabinet members, and officials of the three armed forces were present to welcome him. The king and the Pakistani president headed for the podium to receive salutes. Bands played the Pakistani national anthem and the

Thai royal anthem. The Pakistani president bade farewell to the king and to Princess Sirinthon, and boarded the plane for his return trip home.

Official Views Soviet Indochina Policy
BK240559 Bangkok THE NATION in English
24 Oct 87 pp 1, 2

[By Somphong Kittinaradon]

[Text] Moscow has not changed its policy of keeping the three Indochinese nations under its sway because they still serve its "vital strategic interests", a top-ranking security official said this week.

Khachatphai Burutphat, the senior-most deputy secretary-general of the National Security Council (NSC), was reviewing the Soviet Union's latest stance on the Kampuchean stalemate, about one year after Soviet leader Mikhail Gorbachev unveiled his "Vladivostok Peace Offensive" in July, last year.

At first, Khachatphai said, he thought Moscow might be shifting its stand by pressuring Hanoi into withdrawing its troops from Kampuchea because it would have more to gain by winning the friendship of ASEAN.

But then, following Soviet Foreign Minister Eduard Shevardnadze's visit here last March as part of his whirlwind tour of countries in the region, the deputy NSC secretary-general became disillusioned, realizing that for Moscow, Vietnam still weighed more than ASEAN, he told *The Nation* in an exclusive interview this week.

The proposal that the Soviet foreign minister aired during the trip here did not differ from what the Vietnamese had earlier proposed, the deputy NSC chief said.

He said that keeping Kampuchea and Laos under the control of Hanoi could serve Moscow's strategic intention of encircling China.

Regarding the current flurry of high-level diplomatic contacts between Bangkok and Moscow, Khachatphai said he welcomed the activities to get a fix on the Soviet Union's latest attitudes toward Vietnam.

"We should try and see how they will respond to our suggestions. But if we examine Moscow's immense strategic interests in Vietnam and Indochina, then I am afraid that we may have to work real hard. And the outcome remains a guessing game," he said.

Describing the Vladivostok initiative as "only a tactical change", Khachatphai said the Soviet Union's three strategic objectives remain unchanged:

— Competing against the United States to become the No. 1 superpower.

— Seeking to encircle China, which has been challenging Moscow's leadership in communist countries.

— Expanding its influence in Asia and the Pacific.

Khachatphai said that Vietnam fits in well to serve Moscow's strategic interests because the Cam Ranh Bay naval facilities in Vietnam enable the Soviet fleet in the Pacific to extend and step up its activities.

Moscow has lately attached more importance to expanding its influence in Asia and the Pacific and this can be seen from the rapid build-up since 1980 of its Pacific fleet, now the strongest of all its naval forces with a combined force of about 130,000 troops, he said.

Khachatphai said with Cam Ranh Bay, the Soviet Union can now make its military strength felt more in the Pacific to serve its purpose of expanding its influence and competing against the United States in the region.

Because of the strategic importance of Cam Ranh Bay, the Soviet Union renovated the base in 1984 by installing new sophisticated facilities to accommodate more warships.

He said that a fleet of 16 TU-16 strike aircraft and a squadron of 14 MiG 23 jet fighters which were deployed at Cam Ranh Bay around that year still remain at the base.

"In a way, the presence of the strategic bombers poses a threat to regional peace and security," he said.

At present, more than 20 Soviet warships, both surface and submarine vessels, have been using the facilities at Cam Ranh Bay each month, according to the deputy NSC chief.

Khachatphai added that Moscow has stepped up its efforts to woo countries in the South Pacific.

He said that the Vladivostok statement was a "political offensive" aimed at projecting the Soviet Union as a flexible, peace-loving superpower.

USSR's Indochina Interest Viewed
BK260347 Bangkok THE NATION in English
26 Oct 87 p 4

[Editorial: "Soviet Union's Interest in Future of Kampuchea"]

[Text] Ending his four-day official visit to Thailand, President Mohammad Ziaul Haq of Pakistan added his voice to scores of other leaders calling on the Soviet Union to exert its influence on Vietnam to bring about the withdrawal of its troops from Kampuchea. Zia's voice carries more weight than that of others since his country's main foreign policy worry is the guerrilla war against occupying Soviet forces in Afghanistan.

However, at the same time, a top-ranking Thai security official has said that the Soviet Union wants to keep Kampuchea in its orbit and has backed that statement with logical argument. Khachatphai Burutphat, the senior-most deputy secretary general of the National Security Council, says that it has been the impression that Moscow would attach more importance to improving relations with ASEAN than in the Vietnamese escape in Kampuchea, but it does not seem so.

He said that he came to this conclusion after the whirlwind tour of this region by Soviet Foreign Minister Eduard Shevardnadze last March. From the Soviet point of view, he pointed out that keeping the three Indochinese states under its wing rather than winning ASEAN's friendship. [sentence as published] Keeping Laos and Kampuchea under Hanoi's — thereby ultimately under Soviet control — will serve Moscow's strategic interest of keeping China encircled.

Taking this argument one step further, it is possible that the Soviet Union is backing Hanoi's dream of a "Greater Indochina Federation" under Vietnamese tutelage. The other side of the argument also fits because Vietnam can blackmail the Soviet Union about her military bases in Cam Ranh Bay and Danang which are essential for the Soviet penetration of the Pacific.

The bases in Vietnam are important for several reasons. Her reconnaissance planes can keep an eye on Southeast Asia, the Indian Ocean and the South Pacific. Cam Ranh can also serve as a home base for her Indian Ocean fleet. Further, by projecting her naval presence, her active diplomacy in the South Pacific island states like Kiribati, Vanuatu and Fiji can gain more weight. These bases may not neutralize the American bases in the Philippines but they do provide an effective counter.

Daily Urges U.S. Action on Budget Deficit
BK260349 Bangkok BANGKOK POST in English
26 Oct 87 p 4

[Editorial: "Time To Take the Bull by the Horn"]

[Excerpts] The world's stock markets reopen today after a pause to catch breath and consider why, after five years, the bull market suddenly turned. Dividend yields — at 0.5 percent in Tokyo, 2.6 percent in New York, and 3 percent in London — hardly justified the ever-rising prices. Yet confidence prevailed and money continued pouring into the market. That is, until just over a week ago. [Passage omitted]

It should not have taken a global financial crisis to show the U.S. that there is only one option: loud action, rather than loud talk, on the U.S. Federal budget deficit. Brave action to handle that political hot potato will have a deflationary effect in the U.S. and a global impact on investor confidence. The choice now is between planned government action and unplanned market action.

The U.S. economy may dominate the world less than it did 20 years ago, but the route last week from Mexico to Milan, Toronto to Tokyo (not to mention Bangkok), twisted and turned in a mirror reflection of Wall Street. As a Tokyo broker said only yesterday: "We are still at the mercy of Wall Street". The U.S. must now face up to its global responsibilities and remember that damage is less if changes result from orderly action rather than chaotic inaction.

Thailand cannot expect to be left out of the consequences of events in the U.S. Only five companies listed on the Stock Exchange of Thailand (SET) have no foreign shareholders and blue chips like Bangkok Bank and Siam Cement have 25 percent foreign holdings. The world retreat in stocks shows the disadvantages of those foreign percentages, but the benefits will come later as the economy gains access to international equity funds to support local investment.

Like it or not, the SET is now a member, albeit a junior one, of the international stock markets club and its response to last week's events showed a maturity beyond its years. While other markets fell back almost a year, the SET fell back only six weeks.

President Reagan has indicated that he is at last "willing to look at whatever proposal they (Congress) may have". That is not enough. Looking is little better than wishing; the world had enough of that. And latest reports suggest President Reagan is already having second thoughts about his offer to Congress.

If, even at this late stage, we are to avert a repetition of the disastrous world depression of the thirties, the President and Congress must get together and agree to raise taxes and [preceding word in italics] cut public expenditure, whatever the political costs.

In other words, America must start practising what it preaches to Third World countries through the International Monetary Fund (IMF) and World Bank: stop spending more than it earns. Otherwise America's tough-talking and most popular President in years may find himself entering the history books as an economic wimp.

Security Official Reviews Cambodia Situation
BK251040 Bangkok First Army Division Radio in Thai
2300 GMT 23 Oct 87

[From "Army Meets the People" feature; recorded statement by Director of Supreme Command Information Office Major General Sihadet Bunnak during 22 October press conference to review security situation during the past month]

[Text] During this period the Cambodian situation continued to pose a security threat to the nation both militarily and politically. Fighting continued close to the

Thai border, with a large group of heavily armed soldiers and weapons stationed close to the Thai border. This constitutes a threat to Thailand's sovereignty and its people's security.

On the political front, there have been growing efforts from Vietnam and its satellites to entangle Thailand in the Cambodian problem. They are expanding their political role in Cambodia to bring about changes in their favor. From the start of the 42d UN General Assembly in September, Vietnam stepped up its propaganda campaign to publicize its proposal on a solution to the Cambodian problem. Superficially this may look interesting, but as Vietnam's tricks are known to all, the people realize that its proposal is nothing but a political cover-up to help it with the plan to delay a withdrawal of its troops from Cambodia.

No matter how intensive its propaganda campaign, Vietnam cannot convince world public opinion. This can be seen from the greater number of votes at the UN General Assembly on 14 October supporting the ASEAN resolution calling for Vietnam's withdrawal from Cambodia. The vote, 117 to 21, represents a record vote against Vietnam since 1979. This shows a growing confidence in the world community that there is no reason for Vietnam to maintain its troops in Cambodia.

Concerning the military situation in Cambodia, since mid-September there has been no violent fighting reported. This is because of the ongoing UN General Assembly session. It has been the practice of Vietnam to scale down military activities during the annual UN General Assembly session in order to avoid gathering a poor political image in the eyes of world opinion.

As for operations by the Cambodian resistance forces, they have resorted to offensives launched by small-sized units against Vietnamese positions in various localities of Cambodia. As a result, sporadic spillovers of heavy weapons fire have been reported in several areas along the Thai-Cambodian border. A number of officials and civilians were killed or wounded.

The number of illegal immigrants from Cambodia remained unchanged, that is, about 308,000 taking shelter in designated areas in various provinces. On 14 October, Interparliamentary Union delegates from 20 countries visited the refugee camps along the Thai-Cambodian border to gather facts for themselves. They expressed sympathy for Thailand's heavy burden in sheltering the refugees and expressed appreciation for Thailand's sincere help for those people. The Interparliamentary Union conference also adopted a resolution on human rights and the refugee problem. It stipulates that human rights are basic factors for peace, security, and freedom of the people. Any occupation, aggression, or threat of aggression, and rejection of the right to self-determination of a people by any country constitutes a blatant violation of human rights.

Regarding the situation at the Thai-Lao border, activities by Vietnamese and Lao soldiers were detected opposite Thailand's Rom Klo village, Chat Trakan District, Phitsanulok Province. Deployment of troops and weapons into Sayaboury has been conducted continuously. In some areas, they intruded into Thai territory. In early October, a group of those soldiers clashed with Thai officials. It is believed the situation will improve as Thailand does not want to aggravate the dispute. On the contrary, Thailand has been trying to achieve better understanding through political means taking into consideration the existing relations with his neighbor. Thailand believes that the Lao people too wish to coexist with Thailand in peace as has always been the case.

Army Reports Border Activity

*BK250845 Bangkok Domestic Service in Thai
0530 GMT 25 Oct 87*

[Text] The Burapha Force, now cooperating with other agencies in the border areas of Prachin Buri Province in defense of the national sovereignty, has been effectively repelling armed Cambodian groups who often trespass into Thai border areas. Speaking at a news conference, Lieutenant Colonel Withun Ditsayabut, representative of the Burapha Force, said:

[Begin Withun recording] The Burapha Force has sent out patrols to gather information and check various routes expected to be used by the nationalist forces. At 1100 on 4 October, a patrol unit of Task Force Infantry Battalion 121 came across a band of 9 to 10 armed Cambodians while patrolling in an area northeast of Khlong Kai Thuan village. The invaders were ordered to halt for a search, but they fired at our patrol unit with rifles and RPG's. The patrol unit returned the fire with rifles, submachine guns, mortars, and RPG's. The clash lasted about 15 minutes before the Cambodian group retreated. Two bodies and an AKA rifle were left at the scene of incident. The others fled toward Chong Khaep mountain in Khlong Hat Subdistrict. At 2200 on 6 Oct, Task Force Infantry Battalion 121 arrested a man for suspicious behavior in the vicinity of Nikhom Thahan Phansuk village in Aranyaprathet District. The arrest was also reported by the press. The man was identified as Chom Chimmi, 22, a native of Yanawa District, Bangkok. His confusing statement led authorities to believe that he was suffering from a brain disorder and he could not do any harm to our side. He was later released. [end recording]

More on Border Activity

*BK240742 Bangkok Domestic Service in Thai
1300 GMT 23 Oct 87*

[Text] According to the Supreme Command Information Office, in the past week 21 communist terrorists surrendered themselves along with their weapons and ammunition. Of these, 20 surrendered in Santisuk subdistrict and Muang District of Nan Province and 1 in Muang District of Nakhon Si Thammarat Province. A truck

carrying logs ran over a landmine planted by terrorist bandits in Si Sakhon district, Narathiwat Province but there were no injuries. Communist Party of Malaya guerrillas were subject to intense pressure and suffered from food shortages and destruction of their camps. Their activities emphasized contacts with the local people to ensure survival.

Cambodians Come for UN Food

BK260115 Bangkok *THE NATION* in English
26 Oct 87 p 2

[By Sinfa Tansarawut]

[Excerpt] Arrivals of Kampucheans in United Nations-assisted camps at the Thai border have increased significantly in the past few months after Kampuchea was hit by a severe drought, senior UN officials said.

Field reports from the UN Border Relief Operation (UNBRO) showed the number of Khmers arriving at the border encampments during the first eight months of this year is the highest in the past three years.

The reports said 3,178 new Khmers were provided with UNBRO's rice ration tickets from January to August this year, compared to 1,517 and 2,263 Khmers who arrived in the same period in 1985 and 1986 respectively.

July and August were the busiest months for new arrivals when 660 and 510 Khmers came to the encampments.

The UNBRO officials who were interviewed by *The Nation* last week could not give figures before 1985.

The UN launched an international appeal in late August for food aid and raw agricultural materials to Kampuchea, where many provinces were very dry during the rainy season.

S.A.M.S. Kibria, special representative of the UN secretary general for coordination of the Kampuchean humanitarian assistance programmes, made the appeal to donor countries at a meeting in New York City last month.

Kibria told *The Nation* in an earlier interview that his appeal was "well-received" in the Sept 10 meeting and the donor countries were considering the question "very sympathetically."

A senior UNBRO official said the Khmers who arrived in recent months referred to the drought as one of the main reasons for their flight.

An average of 400 Khmers were received each month in UNBRO's encampments during January to August this year, according to the official who declined to be named.

He said average monthly arrivals in 1986 were 300, compare to only 180 in 1985.

Currently a total of 268,000 Khmer displaced persons receive food rations from UNBRO, he said, adding that the figure was as of Sept 30.

Most of the new arrivals came to Site 2, an encampment of 160,000 civilians of the Khmer People's National Liberation Front in Prachin Buri Province, and Site B, with 42,000 Khmers of the National Sihanoukian Army in Surin Province, the UNBRO official said.

The two groups are among a tripartite Khmer resistance coalition that is fighting Vietnamese occupation troops in Kampuchea.

Field reports showed that most of the new arrivals came from the Kampuchean provinces of Siem Reap and Battambang, which are near the eastern Thai border, the official said.

He said the figure in August showed 20 percent of the new arrivals was children under 10, and 50 percent was female and over 10.

One of the officials said he believed many of them came for food. But he said UNBRO did not conduct a systematic study of the new arrivals.

He said some of the displaced Khmers returned to their home country voluntarily without informing UNBRO officials. But he said the organization did not have the number of the returnees. [Passage omitted]

Official on Communist Defections, Assistance

BK240657 Bangkok *MATICHON* in Thai
24 Oct 87 pp 1, 16

[Excerpt] Deputy Permanent Secretary of Interior Prakit Uttamat, in his position as director of the Center for Administration of Southern Provinces, said on 22 October that the Army and his center have coordinated their tasks aimed at reducing the social conditions contributing to operations of the Communist Party of Malaya [CPM] and at encouraging surrender of CPM guerrillas. So far 664 CPM guerrillas have surrendered to the Army, leaving about 850 hardcore members of the 10th and the 12th Regiments still at large.

Prakit said the Army has given 15 rai of land in Piyamit village to those who surrendered to earn their livelihood. Those who have not received land are given 15 baht per diem. Most of the people who surrendered seem to be determined to earn their livelihood.

He said those still at large have watched closely how those who surrendered are treated by the Thai Government and whether new conditions have been created for those who had already surrendered. He said government officials have continued to encourage those still at large to surrender by offering the same conditions as to those who have already surrendered. There is a trend toward

more surrenders. He said those who surrendered will be given trips to observe other villages to give them confidence in becoming Thai citizens in the future.

Prakit said whether or not Thai citizenship is given to those who surrendered depends on government policy. If they comply with required conditions and law for a period of time they can petition the interior minister for Thai citizenship. As far as he knew no one has filed such a petition. [passage omitted]

Defense Minister Defends Army Radio Programs
BK240545 Bangkok Domestic Service in English
0000 GMT 24 Oct 87

[Text] Military organized radio programs are broadcast to inform the public about the country's current situation without attacking any parties. This was stated by Defense Minister Air Chief Marshal Phaniang Kantarat in response to a question filed by an opposition MP that the programs indirectly attack the opposition parties. Air Chief Marshal Phaniang said that such programs as Sayamanusati and Phua Phaendin Thai publicized information aiming at promoting better understanding between the government and the Thai people for the benefit of national security. Air Chief Marshal Phaniang said the programs will only attack those who try to destabilize the country. The two programs are supported by the Army and the Supreme Command.

Meanwhile, Minister attached to the Prime Minister's Office Arun Phanuphong said the government does not prohibit radio and television stations from broadcasting news about the opposition parties. The minister added that the stations are only told to avoid broadcasting false reports.

Vietnam

Heng Samrin Sees 'Favorable Prospects'
BK250725 Hanoi VNA in English 0721 GMT 25 Oct 87

[Text] Hanoi VNA October 25—"The most fervent aspiration of the Kampuchean people is an end to the war and the people's sufferings which have lasted a dozen years now," said Heng Samrin, general secretary of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council of the People's Republic of Kampuchea, in a recent interview with the correspondent of the Soviet television in Phnom Penh.

The Kampuchean president went on :

"To that end, we call for the pooling of all intellectual and spiritual forces of the national [as received] at home and abroad regardless of their historical background, social class, ethnic origin, political tendency and religious belief.

In the end, we Kampucheans have to concentrate efforts on building a peaceful country, continuing the glorious Angkor civilization and struggling for the independence, freedom, sovereignty and prosperity of their country."

Heng Samrin stressed :

"The people of Kampuchea and many countries in the world have welcomed the policy of national reconciliation of the Government of the People's Republic of Kampuchea, regarding it as a sincere and correct gesture. They have seen in it a way to arrive at a political solution for the Kampuchean issue. We highly value Soviet Union's important contributions to finding a solution to the Kampuchean issue, thus creating a cooperative atmosphere in Asia and the Pacific.

Seven Kampuchean personalities living abroad have sent a letter to the leaders of the People's Republic of Kampuchea and other Khmer groups proposing an informal talk. Prince Norodom Sihanouk has positively responded to the proposal. We hold that these developments prove that favourable prospects have been opened for a dialogue."

Agrees To Meet Sihanouk in December
OW250106 Hanoi VNA in English 1524 GMT
24 Oct 87

[Text] Hanoi VNA Oct.24 — Hun Sen, chairman of the Council of Ministers of the People's Republic of Kampuchea, has agreed to meet with Prince Norodom Sihanouk, head of the opposition Khmer side, in December in Paris in order to find a solution to the Kampuchean issue stalemated for nearly nine years now. Interviewed by A.F.P. in Phnom Penh Monday, Premier Hun Sen said that in October he received Prince Norodom Sihanouk's proposal for a meeting in Paris in November or December.

"In my reply" he said, "I agreed to meet him in Paris in December, the only thing remains for the two sides to agree upon is the time and the place". "The process of coordination" has already begun and "if Samdech Norodom Sihanouk prefers November and if possible, I shall agree," Hun Sen pointed out.

He recalled that previously Prince Sihanouk has twice cancelled such a meeting, one scheduled to be held in Paris at the end of 1984 and the other in Pyongyang last May-June. He said, "I don't think there will be the third time. Prince Sihanouk has proven to be more realistic. He has eliminated all obstacles to such a meeting. This is the most important opportunity on which Samdech Norodom Sihanouk's future role depends. I don't think he will miss it.

"Since his temporary leave from the presidency of the coalition government I say he has taken a position favourable for the quest of a solution and a dialogue with

Phnom Penh. This demonstrates that he has changed and I am very optimistic that he will keep to this attitude. The ball is on Samdech Norodom Sihanouk's side now."

Asked whether Prince Sihanouk may cut pre-conditions for such a meeting, Hun Sen said he didn't see any pre-conditions in the proposal he had received. "What is important is the answer to Samdech Sihanouk's proposal and the announcement of the meeting" Hun Sen stressed, adding: "We will be able to agree when we meet. We are not afraid of public opinion because this is a problem to be settled between Kampucheans."

"We are prepared to give Prince Norodom Sihanouk a high leading position in the state apparatus," Hun Sen said. "But, whatever it may be head of state, deputy head of state or prime minister it must be considered through negotiations."

Hun Sen pointed out that the questions of election and the future coalition government must be discussed at the negotiating table. "My impression is that if Samdech Sihanouk sits at the negotiating table, the other two factions may soften their stance. But, it is for Norodom Sihanouk to solve this problem because he is the head of the three-party coalition government" Hun Sen affirmed.

Asked who are the Khmer-Rouge criminals held responsible for the massacre of millions of Kampucheans between [year indistinct] and 1979, Hun Sen declared, this question will be decided by the people and there will be a tribunal to judge the crimes committed by Pol Pot. I think that the Kampuchean people will determine who are these criminals before any political solution. So there may be a people's tribunal. But the date for this has not been fixed yet.

Finally, concerning the United Nations, Premier Hun Sen stressed that "the resolution that has recognized the coalition government as the legitimate representative of the Kampuchean people is dead right after the vote. The solution to the Kampuchean issue must be found outside the United Nations. As a matter of fact, the U.N. member countries cannot alter our position", he pointed out.

CSSR, MPR Support Declaration

OW240907 Hanoi VNA in English 0708 GMT
24 Oct 87

[Text] Hanoi VNA Oct 24—The Oct. 8 declaration of the People's Republic of Kampuchea is "an important political initiative that ensures the vital interests of the Kampuchean people and reflect the real political situation in the region," said the Czechoslovak Foreign Ministry in a statement released on October 22.

"The PRK Government's declaration is another expression of its goodwill aimed at implementing national reconciliation and seeking a political solution to the Kampuchean question, thus paving the way for stabilizing the situation in Southeast Asia and strengthening peace in the region," the Czechoslovak Foreign Ministry pointed out.

A spokesman for the Mongolian Foreign Ministry on Oct. 22 expressed support for the October 8 statement of the PRK Government and criticized the newly adopted UN resolution on the Kampuchean issue. He said that this resolution "does not reflect the positive trends which have been taking place in and around Kampuchea, and runs counter to both the principles and spirit of the UN Charter."

"The resolution only serves those who want to make the Kampuchean situation more strained," the spokesman said.

Protocol on Education Signed With Cambodia

BK260054 Hanoi VNA in English 0719 GMT 25 Oct 87

[Text] Hanoi VNA October 25—A protocol on Kampuchea-Vietnam cooperation in education for 1987 was signed in Phnom Penh on Oct. 21 during the Vietnamese education delegation's visit to Kampuchea. Signatories were Pen Navut, alternate member of the People's Revolutionary Party of Kampuchea Central Committee and minister of education, and Pham Minh Hac, alternate member of the Communist Party of Vietnam Central Committee, minister of education, and head of the delegation.

Under the protocol, Vietnam will send teachers and experts, supply books, text books, laboratory equipment, etc., to Kampuchea, and arrange study tours of Vietnam for Kampuchean students.

Scientists Attend Meeting on Dioxin in U.S.

OW220751 Hanoi VNA in English 0726 GMT
22 Oct 87

[Text] Hanoi VNA Oct. 22—A Vietnamese science delegation has attended the International Conference "Dioxin 87" held in Las Vegas in the United States.

The delegation included Dr. Le Cao Dai and Dr. Hoang Trong Guynh of the Vietnam Commission for Investigation into Consequences of Toxic Chemicals used in the Vietnam war, and Dr. Nguyen Thi Ngoc Phuong and Le Diem Huong of the Ho Chi Minh Obstetrics Hospital.

The Vietnamese scientists presented five research projects dealing with the level of dioxin in fat tissues of the Vietnamese people. The impact of geographical conditions on the dioxin level epidemiologic investigations into birth defects and genesis [as received] in areas spread with U.S. chemicals during the war...

American and other scientists who took part in the conference expressed their desire to cooperate with Vietnam in the research on the effect of dioxin on human health and pregnancy.

The Vietnamese scientists later visited the Binghamton University in New York and attended a national conference of U.S. doctors held in New Orleans.

USSR Provides Aid in Standardization Work
OW240257 Hanoi VNA in English 1521 GMT
23 Oct 87

[Text] Hanoi VNA Oct. 23 — The Soviet Union is one of the first three countries to supply Vietnam with documents and standards to serve as the primary basis for the standardization work in Vietnam.

Soviet-supplied standards make up 25 per cent of the foreign standards used in Vietnam. Soviet assistance has helped Vietnam to promulgate as early as 1963 137 state standards of its own.

Since 1981, Vietnam and the Soviet Union have completed ten joint research subjects in standardisation aimed at meeting the most fundamental needs of Vietnam in this field. The Soviet Union has granted non-refundable aid to Vietnam valued at 350,000 roubles in standardization equipment and 100,000 roubles in measurement specimen.

In the coming period, the Soviet Union will supply about one million roubles worth of standardization equipment to increase Vietnam's capacity in meeting the requirement of weight and measurement instrument production establishments in Vietnam.

The Soviet Union has helped train 156 Vietnamese cadres in this field and sent 15 experts to Vietnam to carry out joint research projects.

Defense Minister Greets Romanian Army Day
BK251234 Hanoi Domestic Service in Vietnamese
0500 GMT 25 Oct 87

[Text] On the occasion of the 43rd Romanian Armed Forces Day, 25 October 1944-25 October 1987, Senior General Le Duc Anh, minister of national defense of our country, sent a congratulatory message to Colonel General Vasile Milea, minister of national defense of the Socialist Republic of Romania. The message reads:

On the occasion of the 43rd Romanian Armed Forces Day, on behalf of all VPA cadres and combatants and in my own name, I would like to express my warm greetings to you and, through you, to all cadres and combatants of the friendly Romanian Armed Forces.

All VPA cadres and combatants are very elated at the achievements of the Romanian people and Armed Forces and wish them greater successes in implementing the resolutions of the 13th congress of the Romanian Communist Party.

May the solidarity and friendship between the peoples and Armed Forces of our two countries become increasingly consolidated and expanded.

Top Officials Attend Hanoi 'Peace Wave' Talk
BK250720 Hanoi VNA in English 0714 GMT 25 Oct 87

[Text] Hanoi VNA October 25—A talk on the "Global Peace Wave" was arranged here Oct. 24 by the Fatherland Front and the Peace Committee of Hanoi.

Attending the talk were Tran Tan, member of the Communist Party of Vietnam Central Committee and chairman of the Hanoi People's Committee; Phan Anh and Xuan Oanh, president and secretary general of the Vietnam Peace Committee; Tran Luu Vi, deputy secretary of the Hanoi Party Committee; Pham Khac Quang, president of the Hanoi Fatherland Front; and representatives of mass organizations and offices.

During this world movement which is to last from Oct. 24 to 31, tables have been laid out in many places for Hanoians to put down their signatures "to respond to the peace wave, demand the elimination of nuclear weapons and disarmament and defend peace against the warmongering forces' schemes".

After the talk, the participants put down their signatures in response to the peace wave.

Implementation of Congress Resolution Urged
BK231425 Hanoi TAP CHI CONG SAN in Vietnamese
Sep 87, pp 16-18

[Editorial: "Steadily Translate the Sixth Party Congress Resolution into Reality Step by Step"]

[Text] For half a year or more now, the activities of our party and state have been concentrated on materializing step by step the sixth party congress resolution. In the economic field, the four tasks that are closely related to one another have been carried out at one time: The formulation and implementation of three major economic programs, the continued socialist transformation, the renovation of the economic mechanism, and the renewal of organizations and cadres. The atmosphere of renovation according to the spirit of the sixth party congress has spread every day into various fields.

The sixth party congress specified: "Eliminate the mechanism of bureaucratic centralism and state subsidization, completely shift economic activities to socialist accounting and business in accordance with the principle of democratic centralization, operate the

whole system of production and circulation according to the objective law, quickly increase social products, and gradually reestablish balance between the volume of goods and the volume of money in circulation in order to deal with the key issue of gradually lowering and then stopping inflation." These are the immediate and long-term problems of our country's economy. If these problems cannot be solved, we will not be able to solve other problems. The party Central Committee's Second Plenum Resolution is the first resolution of the sixth party Central Committee which manifests the will to renovate and implement the aforesaid issues. Under the direct leadership of the Political Bureau and in a very positive spirit, our state's executive agency—the Council of Ministers—which has regularly consulted with the party Central Committee Secretariat, has accomplished a considerable volume of work to bring the party Central Committee's Second Plenum Resolution to reality quickly: the mobilization and transportation of grain from the south to the north; the disbandment of checkpoints along routes of communications; the readjustment of prices of some centrally controlled commodities; the experimental calculation of production costs, and wholesale and retail selling prices in some enterprises; the amendment and supplementation of some policies on tourism, remittances, and money and goods sent from abroad; the formulation of projects to shift the grain procurement, banking, material supply, and internal trade operations to business activities; the establishment of projects and systems for decentralizing budgetary management authority and reducing staff organization, and so forth. Our relations of economic cooperation with the Soviet Union in a new spirit and with a new quality have also expanded on a larger scale involving a larger volume. Localities have strived, though irregularly, to coordinate and integrate with one another in order to resolve actively many problems concerning production and the livelihood of cadres and the people.

However, by and large, the party Central Committee's Second Plenum Resolution has been implemented slowly and with difficulty in some respects. Although there are many causes for such slowness, it is clear that the socioeconomic situation in our country is abnormal. The system of bureaucratic centralism and state subsidization has not been basically eliminated while a new system has not come into shape. Such an unclear situation has caused great obstacles to renovation and many difficulties for operation, and has adversely affected social psychology, creating fertile grounds for negative acts to increase every day while the heavy consequences of mistakes in previous years have not been overcome. Moreover, although positive effort has been made the highest party and state organs still lack dynamism in their operational mode, and their working methods still remain manual and passive. Some of the works that should have been carried out at once have not started. For example: Although the supply of materials to production is

currently the most burning issue, it is being slowly carried out with insufficient and improper types of materials issued to the wrong recipients and at variance with contracts, and no remedial action has been taken. The unnecessary intermediary organizations in the socialist trade system remain almost intact. Some state business (and even nonbusiness) agencies and some localities still openly and actively compete with one another in purchasing and selling activities to jack up prices and profit from price differences, thus disrupting the market and causing great losses to production. We claim that "thrift is a national policy," and talks about thrift prevail everywhere with slogans posted all over but no regulations on thrift have been issued by the state as yet. Waste and irresponsibility leading to "painful" incidents, and expenses by many agencies and cadres for entertainment and drinking parties using public funds continue to exist, causing dissatisfaction among the people. Some of the policies and measures put forward are not relevant to the real situation.

A noticeable cause is that we have recently belittled the struggle between the two paths, the struggle against enemy sabotage on the economic and ideological fronts. This is the class struggle in the period of transition to socialism. In the general situation of our country and particularly in the initial stage of this transition period, this class struggle is becoming even fiercer. It calls for solidarity and unity within the party, firmness in viewpoints and stand, and alertness by leading and management cadres.

Implementing a resolution such as the sixth party Central Committee's Second Plenum Resolution constitutes a course of very dangerous and hard struggle. It calls for not only revolutionary spirit, willpower, and determination, but also knowledge and scientific calculation. Selecting and deciding proper realistic steps that are positive, urgent, and steady constitute the first condition for success. In each step, there must be some synchronization of policies, measures, and organization. At the same time, effort must be focused on resolving the key problems in order to reverse the situation. Once a proper step is taken, the operational method, dynamism, and alertness at higher levels together with the sense of discipline and organization at all echelons are decisive factors. Although haste and impatience in leadership are wrong, slowness and lack of dynamism will make operational agencies ineffective, which is conducive to failure.

The current socioeconomic situation is much more difficult than that in October 1985. There are critical shortages of grain, materials, fuel, goods, and foreign exchange. The livelihood of laboring people especially workers, civil servants, and armed forces members remains difficult. In such a situation, the party contends that there must be special measures taken in the area of distribution and circulation such as prices,

wages, finance, currency, export-import, market management, social consumption, and so forth. These measures must necessarily be against state subsidization, get rid of the method of running economic operations through administrative orders, and be aimed at definitively, vigorously, and quickly shifting to socialist accounting and business, creating conditions for the new mechanism to take shape rapidly.

It is now more imperative than ever before to ensure the principle of democratic centralization in economic management; intensify the unified and centralized leadership of the central level along with bringing into play the dynamism and creativity of primary installations, localities, and sectors; and firmly maintain discipline. The party Central Committee requests that all echelons and sectors take an overall and comprehensive view in order to understand well the real economic situation of the country, and to profoundly realize the struggle between the two paths, between the enemy and us so as to singlemindedly cooperate with the party Central Committee in bringing the party resolution to have an effect on life.

Our people are traditionally patriotic and confident in the party. Once they are well aware of the situation and realize the rectitude of party and state policies, they will certainly voluntarily accept the policies and consider implementation their duty. This is mainly the reason that the implementation of the party Central Committee's Second Plenum Resolution must be coupled with the struggle against negativism in response to the "Things That Must Be Done Immediately" call, considering it a continuous movement and a policy of prime importance which help purify the party and state machinery, and society, and democratize our society.

The higher and lower echelons are of one mind and one heart; the party trust the people and vice versa. This is the secret of all success.

NHAN DAN Editorial on Evaluation of Cadres
BK240821 Hanoi Domestic Service in Vietnamese
2300 GMT 22 Oct 87

[NHAN DAN 23 October editorial: "Evaluate Cadres"]

[Text] One of the immediate objectives of the motivation drive to purify the party organizations and state machinery and enhance their militant strength and to promote healthier social relations is to review and reevaluate the contingent of leading cadres and management cadres and to map out plans to consolidate all sectors and echelons.

Evaluation is a very important part of our cadre-related work because it plays a decisive role in the fulfillment of the main objective of this undertaking which is the

assignment and employment of cadres. How to assign and employ cadres depends on the results of the evaluation of their strong points and weaknesses.

Evaluation must be based on set criteria. Depending on revolutionary requirements and tasks, each revolutionary stage calls for different criteria. There are basic and general criteria that can be applied to work out concrete criteria to meet the demand for qualified cadres for the sectors and areas of activities involved. Criteria form the bases for determining the trends and contents of cadre training and improvement as well as for self-improvement by cadres themselves.

Our party is trying to solve extremely complicated problems arising from our socialist construction being initiated at the very start of the transitional period and conditioned by a small-scale production. To fulfill this very difficult mission, the sixth party congress gathered experience drawn from its leadership in the past several years and set forth urgent tasks aimed at renovating thinking, especially economic thinking, workstyles, and cadre organization. These tasks are interrelated and mutually supportive. As for renovation of cadre organization, this calls for new thinking and new workstyles.

The resolutions of the sixth party congress and the Executive Committee of the party Central Committee are correct. Yet, the successful implementation of these resolutions depends on adequate cadre assignment and strong consolidation of cadre organization to meet the new requirements.

Our party and state have a large contingent of cadres who are loyal to the revolutionary undertaking, possess increasingly better knowledge, display a high determination to overcome difficulties and hardship, and make great contributions to local and national achievements. Nonetheless, not all of them have firmly maintained their militant strength and revolutionary ethics. Some have become degenerate and deviant. Others maintain good ethics and behave well but have limited capabilities and are no longer good for the jobs or fail to fully develop their roles due to improper work assignments.

To consolidate the contingent of cadres, along with drawing clear-cut conclusions about and taking appropriate measures against negative cases so as to eliminate those degenerate and deviant elements from the party organizations and state machinery, it is necessary to thoroughly review and reevaluate the contingent of leading cadres and management cadres in all sectors and at all echelons in accordance with the spirit of renovation set forth by the Sixth Party Congress.

Quality and capability constitute the criteria for cadre evaluation. These two criteria are interrelated and mutually supportive. The political quality of cadres is manifested mainly by their unanimity of views with

the party's stance and viewpoints as well as by their loyalty and high determination to implement all party policies and resolutions. At present, as a concrete manifestation of their political quality, cadres must respond positively to the renovation undertaking initiated by the Sixth Party Congress, display a sense of organization and discipline, firmly maintain party discipline and state law, adopt a pure and healthy lifestyle, refrain from corruption and bribery, stay close to the masses and respect their democratic rights, care for other people's interests, and treat the masses as well as colleague cadres with fairness.

Capability is manifested by the ability to understand party and state resolutions and to know how to take concrete measures to organize their implementation and by professional knowledge, self-initiative, creativity, unity, and success in bringing into full play the revolutionary zeal of cadres and the masses.

In the final analysis, the yardstick to measure the quality and talents of all cadres is nothing but the outcome of their work performance. In many cases, people come up with different cadre evaluation results merely because they fail to observe this principle.

To correctly evaluate cadres, it is of utmost importance for all leading organs to make sure that evaluation sessions be carried out in an open and democratic atmosphere. Only in this way can we correctly and objectively evaluate strong points and weaknesses. It is necessary to see to it that everything is fair and appropriate and does not bear any trace of prejudice, narrow-mindedness, or favoritism. Leading officials must stay close to cadres and their work assignments and must be able to tell what is correct and what is not when it comes to judging evaluation results. This way, they can have conditions for correct evaluation of cadres.

Evaluation is an important part of our cadre-related work. It is necessary to renovate evaluation methods in such a way as to make them conform with the need to effect deep-rooted and drastic changes in the party's leadership.

NHAN DAN Views Export Goods Quality Control

*BK250516 Hanoi Domestic Service in Vietnamese
2300 GMT 23 Oct 87*

[NHAN DAN 24 October Editorial: "Control the Quality of Export Goods at Grass-roots Units"]

[Text] Although our production of export goods has not developed in parallel with capability and demand, output has increased considerably during the past few years. Along with the increase in volume and types of export goods, we have also improved their quality remarkably. In the northern provinces the loss rate of fresh fruits and vegetables on delivery dropped from 18 percent in 1985 to 3.6 percent in 1986. In some

southern provinces the volume of goods failing to meet the standards for export has decreased considerably since early this year.

This initial progress was achieved due to the expansion of management and quality control work at grass-roots units. Many export goods production units and business establishments have coordinated with inspection organizations of the foreign trade sector to examine goods before packing. At various export goods receiving ports such as Haiphong, Saigon, Danang, Can Tho, Nha Trang, and Qui Nhon the network of goods acceptance detachments has been gradually established. Many localities have set up and put into operation various quality control organizations for export goods. They have effectively carried out management and control work at grass-roots units, thereby promptly overcoming shortcomings and improving quality of export goods right at the production units. As a result, they were able to save on transportation fees and other expenses considerably because the improved quality goods were accepted at receiving places without complaint or return. Ha Son Binh Province has reduced 4.6-fold the money spent in compensation for export handicraft products that did not meet standards.

Thanks to the strict implementation of management and quality control work at grass-roots units, Nghe Tinh Province can reduce the volume of export peanuts failing to meet standards to less than 1 percent at receiving places. The quality of textile and other industrial products for export has been improved satisfactorily, thereby reducing complaints by clients. However, the improvement of export goods quality has not developed firmly and consistently. The main cause of this is due to the slow, inconsistent, and insufficient supply of materials and fuel to production establishments as well as poor management, lack of transportation facilities, and shortage of gunny sacks and warehouses. As a result, the volume of goods not meeting standards delivered to various ports for export was substantial. Some of these poor quality goods were exported to foreign countries due to loose management work and clients complained. In 1986 compensation paid for these goods was more than 1 million rubles.

To control the quality of export goods, first of all, we must start work right at the grass-roots level. We must train and foster cadres to effectively carry out quality control work from the production process to the issuance of goods delivery certificates at each grass-roots production units and locality. We must quickly define quality standards, encourage research, and apply scientific and technological advances to the management and control of export goods.

At present, the Ministry of Foreign Trade's Department of Inspection and Control, the Quality and Standard Measurement and Control General Department, the

Vegetation Protection Department, and other quality inspection agencies at production and business establishments are responsible for inspecting and controlling the quality of export goods. As a result, we must design the division of labor, responsibility, and authority to avoid duplication in inspection or diversified evaluation, which causes inconvenience to production establishments.

In face of diversified production conditions, random delivery of goods, and complications caused by many specialized goods general corporations and other local sectors that have engaged in trade and export of the same kinds of goods, we must quickly establish a uniform measure to control the quality of goods to avoid violations to state-set standards for quality of goods for export. We must quickly formulate a policy on incentives for establishments that have produced more export goods and improved the quality of their products, while strictly dealing with establishments that produce poor quality goods and waste to raw materials, thereby disturbing the general plan.

By strengthening the management and control of export goods quality right at grass-roots units, we will be able to create favorable conditions for fulfilling export plans, expanding markets, and increasing export value, thereby satisfactorily contributing to serving the three major economic programs set forth by the Sixth CPV Congress.

Nguyen Van Linh Interview on Literature, Arts
BK251031 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 26 Sep 87 p 2

[Interview granted "recently" by CPV Central Committee General Secretary Nguyen Van Linh and published in June 1987 issue of Ho Chi Minh City's DIEN ANH (CINEMATOGRAPHY) magazine]

[Text] Note from the Editorial Staff: Comrade Nguyen Van Linh, general secretary of the party Central Committee, recently granted an interview to the *Dien Anh* magazine of Ho Chi Minh City on the responsibility of our city's writers and artists toward the pressing tasks of the country. On the occasion of the city's second film festival now in progress, we respectfully reintroduce to our readers that interview which was published in the June 1987 issue of Ho Chi Minh City's *Dien Anh* magazine.

Dien Anh: Comrade, in your closing speech at the second plenum of the party Central Committee (sixth tenure), you emphasized: From the live experience gained in past years, it can be clearly seen that if we still burden ourselves with the old mechanism and are imprisoned by outmoded viewpoints that are far removed from life, it will be totally impossible to find a way out. This shift in direction is the most important basis of the resolution which we have just adopted.

Comrade, if it is necessary to stress the responsibility of writers and artists in their particular field of work, what is your advice to help them carry out the socioeconomic tasks of the party and state successfully?

Comrade Nguyen Van Linh: First of all, I appeal to the responsibility of writers and artists toward the task of successfully fulfilling the goals set at the sixth party congress and in the resolution of the party Central Committee's second plenum.

No tasks of the party, the state, and the people are not related to the responsibility of writers and artists—revolutionary fighters on the cultural and ideological front. Comrades, you must concretize that responsibility by action with your creativity and all of your enthusiasm about the future of the country.

What I want to stress is that the difficulties and complexities of the cultural and artistic situation are part of those facing the current socioeconomic situation. Our mistakes and shortcomings with regard to the viewpoints for economic construction include those concerning ideological, organizational, and other work. These mistakes and shortcomings have severely affected development of the cultural and artistic life. Nevertheless, it must be understood that this situation has come about not wholly due to external factors. Comrades, you must find all the subjective causes—manifestations of subjectivism and sluggishness in carrying out activities, especially in management, within your own sector. Recently I said at the Nguyen Ai Quoc High-Level Party School: We must look at the truth and realize the seriousness and persistence of our subjective shortcomings. We must possess a spirit of valor in making strong self-criticism and in effecting thorough renovation. Or else, we will fall into interminable stagnation with its resultant disasters which are caused not by the nature of our system but by our very own shortcomings.

In our country at present, virtually no problems in any field can be solved without requiring renovation in thinking and conduct. Comrades, you must effect renovation and contribute to renovating society's thinking.

Ho Chi Minh City has set many shining examples of dynamism and creativity; and many individuals and collectives hailing therefrom have served as very good models in the movement to renovate thinking and conduct. The city's culture and arts must march in step with what is new. What we must do is to make broad sections of the masses love, support, and learn from these models, as well as denounce and struggle against conservative and retrogressive elements who are hindering every step of progress taken by the country.

Dien Anh: Comrade, we are proud as citizens and literary and artistic workers of the city where, for very many years, you led our struggle and construction efforts. With

your practical experience, comrade, please point to the strong points and weaknesses of the work to build Ho Chi Minh City's cultural and artistic life.

Comrade Nguyen Van Linh: I, too, am very proud of having once been a citizen of the city named after great Uncle Ho, where I had my share of the difficulties, hardship, and glory we experienced in the course of struggle and construction.

Let me get right to the point by telling you that your weaknesses lie in your very own strong points. This is because even though you display dynamism and have the determination to think and act boldly and a sense of responsibility, which are strong points, you are still unable to set forth comprehensive and long-term objectives of strategic significance. As a result, too much effort has been devoted to developing a number of subjects which, in some cases, involved more formalism than quality. Meanwhile, no due concern has been given in terms of training and investments to many other subjects to reflect the characteristics and important role of a nation having a modern and progressive culture. These subjects include national music, traditional theatrical art, various forms of international orthodox music, traditional or modern folk dance, drama, cinematography, and so forth. Our strength is that we give due concern for the masses' cultural and artistic demands and seek dynamic ways to satisfy them. Nonetheless, there have been cases of our literary and artistic workers belittling their sense of duty and pursuing business profits at the expense of the poor people, rural compatriots, compatriots working in new economic areas, members of the armed forces, and assault youths. Our strength is that we are very sensitive to the masses' interests. Yet, there have been cases of our literary and artistic workers paying too much attention to feeding those interests and failing to positively contribute to guiding and teaching the masses something about a socialist sense of appreciation. Our strength is that we have in hand all existing material facilities and are in a better position than other localities when it comes to generating capital to build fairly good additional facilities. Yet, too much attention has been paid to turning most of these facilities into business-oriented means and too little concern has been given to building facilities for training and improvement purposes and to alleviating their difficult operating conditions. Our strength is that we have many human resources that belong either to the past or present and that are either part of the city itself or come from other localities. Yet, when it comes to using those resources, we still face problems arising from waste, irrational attempts to set up barriers, and a lack of unity and cooperation necessary for the common struggle to build the future of the city and the entire nation.

I look forward to seeing concrete efforts of Ho Chi Minh City to rectify those shortcomings. It is necessary for you to recognize your weaknesses and seek ways to overcome

them. Learn from the workstyles adopted by the recent party congress and party Central Committee plenum, namely, respect for the principles of centralized democracy, willingness to discuss different points of view, and readiness for brainstorming so as to work out the best solutions possible.

Dien Anh: We are very grateful to you for encouraging the publication of Ho Chi Minh City's *Dien Anh* magazine. This is proof of your concern for the city's cultural and artistic activities. May we take this opportunity to convey through the magazine your regards to our brother and sister cinematographers in Ho Chi Minh City.

Comrade Nguyen Van Linh: Let's try to do what is good for the people and the revolution. Difficulties are always there when we first start something but sometimes, our difficulties do not lie in material deprivations or incapacity but in outmoded viewpoints. This is true for a number of activities that the press media and cultural and artistic workers in Ho Chi Minh City and many other localities have failed to carry out. It is the people's demands that matter. We are to be blamed if we are aware of the people's demands but do not do anything to meet them.

I know that the income of people who are directly involved in film making is lower than that of people who engage in business-oriented motion picture activities. This unfair practice prevails not only in cinematography but also in other cultural and artistic operations and other occupations. I hope that you will know how to struggle for fair income distribution for yourselves and the society.

Last of all, I hope that all of you cinematographers and other cultural and artistic workers will thoroughly study the party's resolutions, stay close to the reality of life, heighten the sense of duty, and boldly raise new issues through your creative works or through your personal and collective comments. This way, together with the entire party and people, we can successfully implement the social objectives set forth by the sixth party congress.

Nguyen Van Linh Meets Hanoi Actors, Actresses
BK251140 Hanoi Domestic Service in Vietnamese
1100 GMT 24 Oct 87

[Text] According to the paper *Hanoi Moi*, after meeting with writers, artists, and cultural workers and listening to their comments on 6 and 7 October, Comrade General Secretary Nguyen Van Linh met with the brother and sister actors and actresses of the Hanoi Theatrical Troupe on the evening of 17 October at the Hanoi Municipal Theater after he had watched them perform *An Escape From Life*, an artistic work of the Hanoi theatrical sector in celebration of the 70th anniversary of the Soviet October revolution.

Comrade Le Quang Dao, member of the party Central Committee and chairman of the National Assembly, also attended the performance.

The meeting proceeded in an informal and cordial atmosphere.

After listening to the comments of the stage managers and actors and actresses, the comrade general secretary commended all members of the troupe for working on this commemorative project which, in his words, helped further consolidate the long-lasting friendship and cultural relations between Vietnam and the Soviet Union and added a truly sound note to the presentation of what life looks like at present.

Before saying good-bye, the comrade general secretary expressed the hope that the brother and sister writers and actors and actresses would continue to improve their skills and turn out more works containing the same interesting topic as the one they had just performed so as to serve the current anti-negativism struggle in Vietnam.

On behalf of the brother and sister members of the troupe, stage manager Hoang Quan Tao pledged the determination to fulfill the comrade general secretary's wishes.

Australia

Unions 'Firm' on Imposing Fiji Flights Ban

BK260706 Melbourne Overseas Service in English
0430 GMT 26 Oct 87

[Text] The Australian Council of Trade Unions [ACTU] says it is standing firm in its resolve to impose bans on flights from Australia to Fiji next Sunday. An ACTU official, Mr Gary Weaven, says weekend talks between union officials and Fiji's tourism minister have done nothing to alter the situation.

Radio Australia's Sydney Office says the talks are understood to have resolve many of the differences between the Rabuka regime and the Fiji union movement. However, our office says the main stumbling block remains a decree which declares strikes illegal.

Mr Weaven says the federal government has come up with no diplomatic initiative to dissuade the ACTU from its course of action. He says the only advance has been a push by employer groups in Fiji for the regime to restore some basic rights to Fijian unions. Mr Weaven says the Government of Fiji should recognize international conventions in respect of freedom of association.

Hayden Concerned Over Violence in Sri Lanka

BK250920 Melbourne Overseas Service in English
0830 GMT 25 Oct 87

[Text] The foreign minister, Mr Hayden, says that Australia is deeply concerned at the resurgence of communal violence in Sri Lanka. In reiterating Australia's support for the peace accord between India and Sri Lanka, Mr Hayden said that despite the continued fighting, it still offered the best chance of restoring lasting peace. He said Australia deplored the loss of lives, particularly that of women and children, in the current conflict between Tamil militants and Indian forces.

Australian Tamils have set up a 24-hour tent vigil on the lawns at the front of Parliament House in Canberra to protest the plight of their people in Sri Lanka. A Tamil spokesman, Mr Wadichandra, claims the Indian peace-keeping force in Sri Lanka has been responsible for the killing of civilians and the forced starvation of the population. Mr (Wadichandra) wants Australia to call for a halt to what he described as Soviet-style intervention by the Indian Government.

BRIEFS

Cocaine Seizure in Adelaide

Adelaide detectives suspect that one of South Australia's biggest hauls may be part of an international drug dealing ring. About 3/4 kg of the narcotic concentrate was seized in a motel room in Adelaide during routine investigations which followed an armed holdup at an opal and gems store. A 32-year-old company director

and a 33-year-old salesman were arrested after the stashes of cocaine were found stashed in skis in the motel room. They are due to appear in court tomorrow. Police said it had been established that one of the men had recently traveled extensively in South America and Asia. [Text] [Melbourne Overseas Service in English 0430 GMT 25 Oct 87 BK]

Fiji

Minister Criticizes New Zealand Fiji Stand

BK240633 Melbourne Overseas Service in English
0500 GMT 24 Oct 87

[Text] Fiji has hit out at what it described as Wellington's new colonialism. The foreign minister in the military government, Mr Filipe Bole, said the comments by the New Zealand foreign minister, Mr Marshall, illustrated a sad lack of understanding of the events leading to the creation of the Fijian Republic.

He said New Zealand's foreign minister was determined to be distant and cool toward the republic, but warm toward its citizens. Mr Bole said this position was confused and contradictory because if the New Zealand Government hurt the Fiji Government it would also be hurting the people of Fiji.

The Fijian minister said New Zealand had clearly indicated that it would recognize Fiji only if Fiji was guided by Wellington. Mr Bole said if Fiji resisted the new colonialism intended by New Zealand then the people of Fiji would be punished.

He said it was clear Fiji must find new and genuine friends.

Action Planned To Counter Trade Bans

BK261114 Wellington THE EVENING POST
in English 22 Oct 87 p 7

[Text] Suva, Oct 21—Fiji Trade Minister Isimeli Bose said today he had directed his staff to draw up policies to counter the effects of trade bans on republican Fiji.

"As a Government we cannot allow attempts to sabotage and destabilise the economy to have any effect," he said in a statement issued through the Information Ministry.

Mr Bose, Minister for Economic Planning, Trade and Industry, said the Government was concerned that Australian trade unions had decided to impose further bans against Fiji. "While in the past, the Government has not made any major policy changes regarding trade, I believe the time has now come for the Government to give some directions," he said.

Meanwhile, the Information Ministry said today that non-renewal by New Zealand of its sugar contract with Fiji would only aggravate the plight of Fiji's mainly

Indian sugar cane farmers. The ministry was commenting in a statement on a Wellington report that the New Zealand Sugar Co Ltd would not renew the contract when it expired next June 30. Fiji has been shipping 57,000 tonnes of sugar a year to New Zealand.

The Ministry statement said Fiji's economy as a whole would feel the pinch of losing the New Zealand market, which represented about one-eighth of total sales in a good year. Everyone in Fiji hoped that New Zealand Prime Minister David Lange would be persuaded to see "the need for compassion," the statement added.

Two more prominent members of the militant Fijian Taukei movement will be appointed to the governing Council of Ministers, highly-placed sources said today. Former Senators Inoke Tabua and Jona Qio will bring the council to 24, the sources said.

It was not yet known which portfolios they would be allocated. It was thought that some of the present combined Ministries, like Communications, Works and Transport might be split up to even out the work load.

French Polynesia

State of Emergency Declared 24 Oct
BK250500 Hong Kong AFP in English 0437 GMT
25 Oct 87

[Text] Papeete, Oct 25 (AFP)—The French high commissioner in Tahiti late Saturday, declared a state of emergency in this Pacific territory and imposed a dusk to dawn curfew in Papeete and four neighbouring towns in the wake of clashes between police and striking dockers on Friday night.

All shops and cafes selling alcoholic drinks in Papeete and in the towns of Saa, Pirai, Arue and Mahina where the curfew is in force, were ordered to close.

Ten people were injured, scores of shops were smashed and burned and vehicles were gutted in Friday night's clashes triggered by a police move to end the occupation of the port by dockers.

New Zealand

'Large' French Nuclear Test Detected
BK240710 Hong Kong AFP in English 0657 GMT
24 Oct 87

[Text] Wellington, Oct 24 (AFP)—New Zealand Government seismologists said Saturday [24 October] they had detected a 50-kilotonne underground nuclear test by France, the largest at its test site in the South Pacific for more than two years.

Government seismologist Warwick Smith said New Zealand's seismic station at Rarotonga in the Cook Islands detected the test at 4:50 a.m. New Zealand time Saturday (1650 GMT Friday).

He said it was the fifth underground test at Mururoa Atoll this year and the largest yield explosion at the site since July 1985.

"If the test program follows the pattern of previous years this explosion is the first of a new series over the next two or three months, Dr. Smith said.

He said France had now carried out 35 underground nuclear blasts at the atoll since underground testing began there in 1975.

New Zealand Foreign Minister Russell Marshall condemned the test, saying New Zealand would continue its policy of opposing such testing until it ended in the South Pacific.

He said in a statement South Pacific nations generally were totally opposed to the French nuclear test program and New Zealand was seeking an end to all nuclear testing worldwide.

Decision on Recognizing Fiji 'Months Away'
BK261056 Wellington THE EVENING POST
in English 22 Oct 87 p 2

[Text] It could be some months before New Zealand makes a decision on whether it will recognise the new Fijian government, Foreign Affairs Minister Russell Marshall said today.

He was speaking just before the start of a special Cabinet committee meeting convened to consider New Zealand's future attitude to the Rabuka regime.

Attending the meeting of the Cabinet Domestic and External Security Committee were senior cabinet ministers, Foreign Affairs and Defence officials and New Zealand's High Commissioner in Fiji Mr Rod Gates, who was recalled from Suva for consultations.

Mr Marshall said the committee wanted to hear first-hand what Mr Gates had to say. A number of issues had to be considered; recognition of the Fijian government and the level and quality of New Zealand representation in Suva.

Mr Marshall said he expected the committee to work out fine details of cuts to New Zealand's aid programme.

He added it could take some months before a decision was made on recognition, as he was inclined to wait and see how things worked out and the progress made towards and new constitution.

Mr Marshall said New Zealand would not be taking unilateral action. The Government would be in touch with Australia, Melanesia and the Commonwealth before decisions were made.

Vanuatu

France Asked To Withdraw 2 More Diplomats
BK230833 Hong Kong AFP in English 0826 GMT
23 Oct 87

[Text] Port Vila, Oct 23 (AFP)—Vanuatu asked the French Embassy Friday to withdraw two senior diplomats following retaliation by Paris over the earlier expulsion of the French ambassador here, a spokesman for Prime Minister Walter Lini said.

The spokesman told *Agence France-Presse* that the two diplomats, one of them the second secretary, had become redundant in France's diplomatic mission here following retaliatory cutbacks in aid programs.

Vanuatu expelled Ambassador Henri Crepin-Leblond earlier this month amid allegations that France had been funding the opposition Union of Moderate Parties (UMP) campaign for the national elections scheduled for November 30.

Mr. Leblond has denied the allegation.

The prime minister's spokesman said that the French Government had retaliated by reducing aid, "affecting areas that normally those officers (asked to leave) would be responsible for."

He said that the areas affected were education and technical assistance.

France is a major contributor to the Vanuatu education system.

"With these cuts those officers have now become redundant," the spokesman said.

"The foreign minister advised the French Embassy that, with the cutbacks, they should consider withdrawing those people," he said.

The French Embassy here declined to comment on the request for withdrawal of the two officers.

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